

NEWS SUMMARY

Equities mixed but turnover up again

Equities showed no clear trend. Mr. Anthony Barber's encouraging remarks on prospects for the U.K. balance of payments coming too late to affect prices. Buying interest in the EEC. Both were discovered in time used by police.

FT 30-share index eased 1.7 to 425.9

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Heath warns CBI: strict controls on prices to continue

BY HAROLD BOLTER, INDUSTRIAL CORRESPONDENT

The Prime Minister made it clear to leaders of the Confederation of British Industry yesterday that he intends to persist with statutory price controls in the next phase of the Government's counter-inflation policy.

The controls will be as strict, cost method of calculating price increase as "an odd bone of contention".

Although Sir Geoffrey insisted that it was difficult to assess the size of the problem in advance, he promised that the Government would have another look at the issue before finally making up its mind.

The CBI anticipated that it would have trouble in trying to persuade the Government to make any changes in its policy, which might be seen by the unions as a relaxation of profits control.

The Confederation's case, argued fully with Mr. Heath, is that there could be a steep fall in profits, which could lead to industrial capacity constraints. This could damage the interests of the unions as well as employers.

The CBI team, led by Sir Michael Chapman, President, and Mr. Campbell Adamson, Director General, told Mr. Heath that unless this part of the Code is changed, companies would have to raise their production volume by an impossible 25 per cent, or more in order to maintain profits even at the Phase Two level.

At a Press conference later, Sir Geoffrey Howe, Minister of Trade and Commerce, said that the Government did not believe there was likely to be a significant slump in profits.

Sir Geoffrey described the CBI argument over the unit

but only the people of Northern Ireland can take up the challenge.

Mr. Heath repeated the Government's "firm commitment" to invite members of the Executive and the Irish Government to take part in a tripartite conference within one month of the creation of the Executive.

Mr. Heath's speech was made shortly after he received a letter last night from Mr. Harold Wilson, the Opposition Leader, calling for an "urgent and unequivocal" statement of the Government's attitude towards the integration question.

Mr. Wilson had made it clear that the continuation of Westminster's bipartisan policy on Northern Ireland was at stake. The Opposition move followed a day of political confusion in Westminster, Dublin and Belfast.

There were those who favoured the total integration of Northern Ireland. "If all other possible alternatives had failed Northern Ireland could not be run fairly and efficiently under such a system. But what we are seeking is not merely fairness and efficiency. It was essential for the people of Northern Ireland who wanted to govern themselves to come together to share power. This has been and will remain the policy of the Government."

Port Rosh, Mr. Heath caused

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Renewed doubt on future of Agnew

BY GUY DE JONQUIERES

WASHINGTON, Sept. 18. VICE-PRESIDENT Spiro Agnew's political dilemma seemed to be moving rapidly towards a climax today, when the Washington Post reported that he has held lengthy discussions in the past few days on whether he should resign voluntarily because of the Maryland local government bribery scandal.

The report, by Mr. David Broder, the Post's highly respected national political correspondent, quoted one unnamed senior Republican figure who has been consulted by the Vice-President as saying that he was "99 per cent certain" that Mr. Agnew will resign, and will probably do so this week.

Mr. Agnew himself has refused to comment on the report. His silence is especially pregnant because in the recent past he has twice called impromptu Press conferences to rebut vigorously unauthorised disclosures in the Press concerning the criminal involvement in the Maryland bribery case.

His staff, political supporters and friends have expressed scepticism at the last report. While conceding that he may have talked of resignation in private, they suggest that this is only in a range of options open to him, and insist that he is not considering it seriously.

The White House is treating the whole matter with a stiff and chilly reserve. President Nixon's official spokesman, Mr. Gerald Warren, refused to answer any questions this morning concerning the Vice-President's problems. Asked whether Mr. Nixon still has confidence in Mr. Agnew, he replied with a pointed "No comment."

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Chrysler threat of U.K. shutdown

BY CHRIS BAUR, SCOTTISH CORRESPONDENT

GLASGOW, Sept. 18. THE CHRYSLER U.K. management today gave a warning that if the strike at its Linwood plant in Scotland continues the company may be forced to cease manufacturing in this country.

Later Mr. James Jack, general secretary of the Scottish TUC, announced he is calling union area officials and Linwood shop stewards to an emergency meeting either to-morrow or Thursday in an effort to solve the dispute.

Mr. Jack met Mr. Peter Griffiths, Chrysler director of industrial relations and personnel, in Glasgow to-night and appealed to him to make a continued contribution to settlement for the sake of all concerned.

Speaking three days before the 7,000 Linwood strikers plan to meet to discuss their dispute, Mr. Griffiths had warned: "If this strike continues for any extended period of time there is a grave danger, I suppose, of Chrysler ceasing its manufacturing operations in the U.K. altogether. I cannot mince matters because we are in a very serious and critical position."

Unless we quickly get our car plants back into production we shall certainly have to examine the structure of our U.K. operations with all the implications for future investment and employment which that might entail."

He explained that would mean thinking in terms of some plant closures and the transfer of some components work to outside suppliers. It could lead to redundancies and the size of the company's staff would certainly have to be reviewed.

Ultimately it could mean ceasing car production in the U.K. Scottish supplies of stampings, gear boxes, suspension units and axles to Elyon and Stoke would be lost. Mr. Griffiths said he was not "losing sleep" over the company's already lost about £3m. during 22,000 hourly paid employees.

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PM says 'no support' for Ulster integration

BY PHILIP RAWSTORNE

MR. EDWARD HEATH, the Prime Minister, last night ended 24 hours of political confusion over the Government's policy in Northern Ireland by making it clear that he did not support the total integration of the province in the U.K.

In an address to the Commonwealth Parliamentary Association in London, he gave a warning, however, that "a situation of the utmost gravity" would result if a power-sharing executive could not be formed in the province.

"We cannot fall back on direct rule again," Mr. Heath said. "It was tolerated by Parliament as a temporary expedient but it is not constitutionally acceptable as anything more."

There were those who favoured the total integration of Northern Ireland. "If all other possible alternatives had failed Northern Ireland could not be run fairly and efficiently under such a system. But what we are seeking is not merely fairness and efficiency. It was essential for the people of Northern Ireland who wanted to govern themselves to come together to share power. This has been and will remain the policy of the Government."

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Deduction

Under the present rules, the CBI argued, some cost increases representing 30 per cent, or more of the total, are not allowable, nor are they taken into consideration by the Price Commission in assessing what price increases can be made.

Others, even though they can be passed on in part, are subject to a productivity deduction. The effect of this, according to the CBI, is that industry would have to raise production substantially to maintain their profit margins. Profits, the CBI

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Output rise slows in July

BY WILLIAM KEEGAN, ECONOMICS CORRESPONDENT

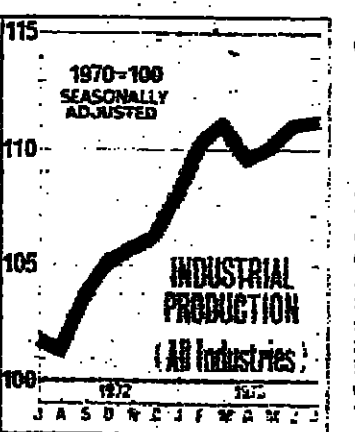
LATEST STATISTICS for U.K. industrial production fit in with the official Government view that the pace of output growth has slowed down considerably in recent months.

The seasonally adjusted index of production for all industries in July, at 111.1 (rebased with new weights, and 1970 = 100), shows little change from the June level of 111.0. The index rose at an annual rate of only 1.2 per cent, between the three months February-April and May-July.

However, the Government has made such drastic revisions to the figures that the growth path of production in the last two years now differs appreciably from previous estimates.

Moreover, the "slowdown" interpretation depends entirely on the movement of the quarterly figures. A half-yearly comparison—once considered in Whitehall to be the only meaningful period to take—indicates a continuing rapid rate of growth.

In its Quarterly Bulletin last week, the Bank of England complained about the quality of information available on recent economic trends. This complaint seems to apply particularly to the production figures, which now suggest that industrial output grew at an annual rate of 1.8 per cent between the first and second quarters of this year, compared with the 7.2 per cent rate indicated by the previous calculations.



term movements of the index is quite marked: production is now thought to have risen 2.5 per cent between the second and fourth quarters of 1972, and not by 4.3 per cent, for example.

For more recent quarters, the new estimates suggest that the expansion of production was much more rapid in the first quarter of this year than was earlier indicated (showing up at an annual rate of 15.6 per cent, not 3.8 per cent), but was much slower afterwards, rising at an annual rate of 1.8 per cent, between the first and second quarters, against 7.2 per cent, on the old index.

Growth between the second half of 1972 and the latest three months (April-July) was at an annual rate of 9 per cent, for all industries, and 10 per cent, for manufacturing industry alone.

This takes in two periods of very rapid growth—the fourth quarter of 1972 and January-March this year—and a fairly flat picture since then.

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Letters to the Editor

BRACKEN HOUSE, CANNON STREET, LONDON, EC4P 4BY

Access to Chunnel • Development aid

Sir—With the Government's decision to go ahead with the Channel Tunnel, it would appear appropriate for attention to be switched to the project in principle and towards the ancillary programme. There are two.

First is the proposed rail passenger terminus at White City in London. This would appear to be a very good idea, but it is not clear how it is to be achieved. It is not clear how it is to be achieved. It is not clear how it is to be achieved.

This could be achieved either by a south east to north west tunnel, right through London (London Bridge/Covent Garden) or by a tunnel to the north west (Paddington) as part of the Greater London Development Plan, or by varying the proposed high speed railway to run from South Croydon to Loughborough Junction (a shorter tunnel than the proposed one to Clapham Junction), along the existing railway to Blackfriars (four tracks out very few trains at present), then by a new tunnel to Paddington. Trains would stop briefly at Blackfriars (compare Brussels Central). Paddington is important because as a next stage forward ex-Great Western lines have a more favourable load gauge for European onward movement of European size trains.

Second, the other shortcoming is the proposed highway terminus at Cheriton. This is much too far east. In the interest of conservation, Kent roads should be bypassed. The leading points for ferry trains should be initially in south and west London, and eventually further afield as well. A new railway is to be built anyway from Cheriton to London: the extra cost of making it passable by trains a foot wider and a foot higher than now in mind would be marginal. Will the promoters please tell us how much? The extra cost to the user would be interest on a small amount of capital plus movement cost: terminal cost would be unaffected. Petrol, fuel and energy would be saved. How much more would be paid for the user and for the residents in Kent such transport would be, Roger Calvert, Honorary Secretary, National Council on Island Transport, 396, City Road, London, E.C.1.

trial environment in which he finds himself (Mr. A. G. Endicott, September 12) because he has been trained to think and act in an orderly way and to tackle problems systematically. As he progresses, however, he will find that many seemingly technical problems are people problems (communication, motivation) at root and that skills beyond purely technical skills are required for their solution.

At this stage he may begin to wonder whether the "nuts and bolts" problems with which he has to contend in some degree stem from the inadequacy of the assumptions built into the industrial environment to which he has been busily adapting himself. He may, for example, begin to doubt the wisdom of designing plants, machine shops, assembly rooms, etc., on the assumption that man is a machine appendage whose aspirations, intelligence and values can be left out of account.

A few professional institutions recognise the need for some knowledge of social science as a condition for qualification and universities have adapted their courses accordingly. Most of the qualified new entrants to industry, however, are not fully equipped to handle many of the real-life problems they will in due course be facing. Perhaps there is something amiss here.

Chert Lodge, Nutfield Road, Redhill, Surrey.

Don't tax the tourist

Sir—Yesterday (September 12) saw the welcome announcement that the present Government has increased the advertising budget of the British Tourist Authority by £200,000 to £1.5m., a belated acknowledgement perhaps of the value of tourism to the country.

At the same time, we read that the Greater London Council, not content with receiving rates from hotels and restaurants, wishes to add to their burden by imposing a "tourist" tax on accommodation which would equally affect all members of the community visiting their capital city for whatever reason. In addition, the Government has announced that the admission charge to the Tower of London next year will be 40p, a 100 per cent. increase over the present charge.

Despite the boom in recent years aided by devaluation, this country is no longer cost attractive to visitors because of inflationary pressures and Value Added Tax, the tourist industry being the only sector based in industry which has no relief from this. While we laud the recogni-

tion of the importance of the tourist industry by increasing the BTA budget, we wonder how the Government can justify doubling the cost of admission to the most popular tourist attraction under its control, especially at a time when they are supposedly limiting cost increases except in strictly defined circumstances.

Michael G. Price, 49, Conduit Street, London, W.1.

Self-help by executives

Sir—Eve Macpherson (September 3) is quite right, executives should be able to type and thus help themselves.

I am not sure, however, that her example of German men is local. Typing in Germany is still taught by idiosyncratic, lengthy "don't look at the keys" and rhythmic methods. Personal typing for precisely this purpose has been taught better in the U.S. In Britain, the Department of Education is now pushing the concept of personal typing for many in schools, and the new Schools Council Bulletin "Commercial Studies in Schools" stresses the importance of self-composition at the typewriter.

Until the heads of schools cease to look down upon type writing because it is a practical skill and therefore (so they believe) not educational, I see little hope of producing a generation of executives who can type and, more important, do not mind being seen to do so.

One disadvantage is that with personal typewriting, as with handwriting, you really do need to be able to spell.

Peter Pitman, Chairman, Training Services Division, Sir Isaac Pitman and Sons, 39, Parker Street, W.C.2.

Rising cost of pallets

Sir—Correspondence you have recently published on the subject of pallets and, in particular, the effect of soaring timber prices must surely concern every company in this country. And, despite a lack of up-to-date statistics, it is possible to arrive at some rough calculations which can only underline that concern.

In 1971, British industry's expenditure on pallets was around £30m. Timber prices have risen over the past year by variously reported to have been anything between 50 per cent. and 100 per cent. and every indication is that prices are continuing to rise. Taking the

figure of 70 per cent. for the material content of a pallet (Mr. Beck, August 15) industry could well be facing increased costs in the region of £20m. in 1973.

In his letter of September 4, Mr. Toole of Friscoidea suggests, albeit with reluctance, two possible courses of action: a national pool or a deposit system. But, as he rightly says, both these solutions would certainly give a new twist to the inflationary spiral and industry would end up with further cost increases instead of savings.

There is, however, another choice open to industry—to develop the use of expendable pallets. Attempts in the past to produce an effective non-lumber disposable pallet have not been very successful. However, a viable product does now exist, proven and widely used on the Continent, which is being increasingly adopted by British companies, especially for combining heavy-duty fibreboard with a high density polythene, it is known as the "internal" pallet and is being marketed by this company.

Although susceptible to rising raw material prices, the cost of this pallet is not increasing at such an alarming rate as wood, and can be expected to provide a hedge against inflation in the future.

E. R. Honnor, Rowater Packaging, Portland House, Stag Place, London, S.W.1.

Air shuttle service

Sir—On reading your Aerospace Correspondent's report on how the "Air Shuttle" Service will be operated by British Airways, my first hope was that all advertising of this service would inform the public that it is not suitable for people travelling with more than just hand luggage.

Before a holiday in the United States last year I had been happily informed that using the air shuttle between Boston/New York/Washington was the best way of travelling. I therefore used it, only to find that for me, with a fair-sized hand grip and a large suitcase to see me through a fortnight's stay, it was not so.

Facilities to assist passengers with their luggage at American airports are non-existent (no trolleys and no porters in the departure areas of Boston, La Guardia or Washington). Show-perhaps the "stiff upper lip" but nevertheless struggling under the load, it was distinctly put out to find that I was expected to know exactly where to

go to board the aircraft, also how the system operated.

As a pretty seasoned air traveller I, for one, shall avoid air shuttles (in any country) now, like the plague, if I am carrying anything that requires storing in the hold of the aircraft.

The service will be a real "no frills" operation for British Airways. I'm sure, but I hope they will not lose sight of the fact that many passengers do not know the drill, and might need assistance with luggage or whatever.

Norma Keatley, 27, Avondale Road, London, S.W.14.

Development aid

Sir—Comment by Lombard (September 7) prompts me to ask for your assistance to get a comprehensive inquiry into the ramifications of "aid" in its varied forms. The growing distrust or indifference in recent years to which reference is made is due, I am sure, to many disturbing reports which indicate that aid as now administered does more harm than good. It has been held responsible for promoting what is called "the maintenance of power by tyrannical regimes; the encouragement of revolt to gain access to aid funds; the facilitation of traffic in dangerous drugs; the diversion of trade patterns; and the restraining rather than promoting self reliance."

In April 1963 Lloyds Bank Review published a report by the Director of the Advisory Service of the World Bank which was supported by the 1963 IMF Report to the effect that much of the well-intentioned aid to developing countries had been wasted and had retarded rather than accelerated progress. Professor P. T. Bauer had devoted most of his energy to a study of particular instances of aid with disturbing evidence. It may be that disturbing reports are news; good reports are not. The Advisory Service Bank sent me a lot of information about what they do but the report is not a document easy to get or understand except by experts.

Certainly an attempt has been made, supported by the churches, to create a feeling of guilt in the public conscience in the western world. To foster this escapism from individual responsibility has no Christian validity. I remember the late Prof. Jacobson (for whom I had the greatest respect) when head of the IMF, admitting that all aid should be channelled through OECD which replaced

OECD with its principles effects on domestic prices are fast and clear." Is this really so remarkable?

More than recent experience shows that "the power of exchange rates to set things right" is limited. Taking our own 1967 devaluation (which has now been "bettered") as an example, it is arguable that what ultimately righted our then balance of payments deficit was not so much that devaluation itself—however unavoidable (but by no means desirable) in the circumstances—as the stringent measures subsequently taken (which could have been so much less stringent if taken sooner) to make it work.

Without such supporting measures, the tendency is for the forces making for a maladjusted currency, by encouraging expectations at home and abroad that the self-reinforcing, and for the maladjustment therefore to persist indefinitely.

The lesson is, or should be, loud and clear. In the U.K. context, exchange rate movements which in one way or another are all Government-engineered—are neither a cause for self-congratulation nor a substitute for consistently sound economic management at home, being a measure and direct consequence of its shortcomings.

In a world context, as the annual report of the IMF has just underlined once again, exchange rates are "inherently a matter of international concern"—which means that unless governments remain a law unto themselves and a nuisance to others, the power of an international authority like the IMF to enforce good behaviour and neighbourliness must, as is becoming more widely recognised, be strengthened for the common good.

W. Grey, 12, Arden Road, Finchley, N.3.

Choice of a school

Sir—The managers of State schools have so little power that admitting parents to membership while giving the appearance of participation would in reality be largely of cosmetic effect.

To give all parents a true choice as to the school their children attend, all that is required is the introduction of the voucher system: for every child of school age a parent would receive a voucher representing the cost to the nation of educating the child, and this voucher would be encashable in discharge of the fees for the child's schooling together with whatever additional charge the school made. This system would place all parents on an equality with the parents of children at independent schools.

John Silberrad, 11, Old Square, Lincoln's Inn, London, W.C.2.

Exchange rate adjustments

Sir—Struck by Australia and New Zealand revaluating "purely for domestic reasons" and by the "persistent surpluses" and "obstinate deficits" of other countries which have done little or nothing to reverse the trend, I am reminded of the late Prof. Jacobson (for whom I had the greatest respect) when head of the IMF, admitting that all aid should be channelled through OECD which replaced

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W. Grey, 12, Arden Road, Finchley, N.3.

Too old at forty

Sir—In response to Mr. Morris' letter (September 11) last April our work study department analysed the production output from each of the age groups 20, 30, 40, 50, 60, 70, 80, 90, 100, 110, 120, 130, 140, 150, 160, 170, 180, 190, 200, 210, 220, 230, 240, 250, 260, 270, 280, 290, 300, 310, 320, 330, 340, 350, 360, 370, 380, 390, 400, 410, 420, 430, 440, 450, 460, 470, 480, 490, 500, 510, 520, 530, 540, 550, 560, 570, 580, 590, 600, 610, 620, 630, 640, 650, 660, 670, 680, 690, 700, 710, 720, 730, 740, 750, 760, 770, 780, 790, 800, 810, 820, 830, 840, 850, 860, 870, 880, 890, 900, 910, 920, 930, 940, 950, 960, 970, 980, 990, 1000, 1010, 1020, 1030, 1040, 1050, 1060, 1070, 1080, 1090, 1100, 1110, 1120, 1130, 1140, 1150, 1160, 1170, 1180, 1190, 1200, 1210, 1220, 1230, 1240, 1250, 1260, 1270, 1280, 1290, 1300, 1310, 1320, 1330, 1340, 1350, 1360, 1370, 1380, 1390, 1400, 1410, 1420, 1430, 1440, 1450, 1460, 1470, 1480, 1490, 1500, 1510, 1520, 1530, 1540, 1550, 1560, 1570, 1580, 1590, 1600, 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WORLD TRADE NEWS

MACHINE TOOLS

Fair reflects world boom

BY ANDREW HARGRAVE

HANOVER, Sept. 18.

ALTHOUGH the international machine tool exhibition which opened here today is inevitably dominated by the host country, the largest manufacturer and exporter in the world, the hopes of the unusually large foreign contingent reflect not only the world boom but the recent currency change as well.

Virtually half the 1,570 exhibitors are foreign, including 82 from Britain. While West Germany accounts for a third of the total machine tool exports of the world, it is also a major importer coming third after the Soviet Union — which exhibits here for the first time — and France.

The steady revaluation of the Deutschmark, particularly against the dollar, the pound sterling and the lira, as well as the domestic investment tax, should in theory have given manufacturers from the countries concerned a major chance to extend their foothold in Western Germany. But this has not been the case.

In respect of Britain, the inclination seems to be in the present boom conditions, which follow a recession of 18 months, to keep such extra profit as is left as a result of devaluation — once inflation has taken its toll — to invest and to distribute in dividends, especially as home prices are subject to control. Only very few of the exhibitors interviewed here are prepared to actually cut prices.

Delivery

Another inhibiting factor in a major extension of the British share of the market here has been the boom itself which is stretching delivery dates to up to 12 months. Against this, a spokesman of the West German engineering association pointed to the comparatively low domestic order book — only 7.6 months compared with the 13 months peak in 1969-70 — and claimed that German companies could still offer relatively early delivery.

In boom conditions, he emphasised, price was only a secondary factor to quality, after sales service and delivery. For German manufacturers, hit not

only by the exchange rates and domestic investment tax but also by the credit squeeze, there was, he said, every incentive to maintain its high — 60 per cent — export quota.

On the other hand, there are some signs that price is beginning to tell. Exhibitors from Eastern Europe, particularly East Germany, which is represented here by 29 exhibitors, but also from Czechoslovakia, Poland, the Soviet Union and Hungary, have an edge as they can — and do — adjust their prices to suit the competition and the customer.

Secret

Most of the foreign exhibitors have, especially those who have done their market research, looked specifically for gaps in the domestic market for major export opportunities. The secret of the Swiss success here, apart from high quality and reliability of service, is the hold Swiss companies have acquired in one sector, grinding machines.

As for the British, Alfred Herbert, the leading manufacturer of machine tools, is showing for the first time, a series of versatile numerically-controlled turning and boring machines for which it claims a price as well as novelty advantage.

Herbert has also set up a German company to ease the sales and service problem, a problem which is forcing an increasing number of British exporters, including several represented here, to take the same step. Selling and servicing through agents, normally a satisfactory method, does not apparently apply to West Germany.

The dilemma of where to make profits as a result of devaluation of the pound sterling and where to cut prices may eventually be determined by the market. If the West German association believes, the boom has already passed its peak, and the time of cut throat competition is again approaching, the question will no longer be where to sell, but how.

Ontario loan scheme

GOVERNMENT loans for setting up new business operations in Ontario are now available to companies from outside Canada under an expanded financial assistance programme announced by Ontario Premier William Davis early this month.

Under the scheme, called the "Ontario Business Incentives Programme," long-term repayable loans may be interest-free or granted at a rate lower than the eight per cent, currently charged by the administering body, the Ontario Development Corporation. They are available to secondary manufacturing, and supporting service industries and tourist resort operators.

Non-Canadian firms will be eligible only for loans to cover new, not expanded operations and they must demonstrate that their entry into the province would be in the public interest and add to the province's economic potential, and not adversely affect the interests of established companies," according to Mr. Davis. Repayments of principle may be deferred for a period of five years or longer, though the loans eventually must be repaid. This marks a change from the previous programme where loans were written off providing certain employment and production were under the programme is the lease of buildings at reduced, or no rental charges.

A £3m. order for Babcock

DEUTSCHE Babcock and Wilcox has won an order worth over DM17m. to supply nine boilers for use in chemical and electro-generating plants in Romania from Romchimi, the Romanian state export organisation.

The order, won against strong German and foreign competition, is a breakthrough in Romania for German Babcock's industrial boiler section and the largest order the section has received to date.



One of the largest shoe manufacturers in Menorca is Minorica. With an annual turnover of Peseta 100m. and around 100 workers, practically all the island's production of 1.5m. pairs of shoes a year is exported — there is only one outlet, a tourist shop, in Maahon itself. Over half the shoes go to Spain, the rest are sold to the U.S., Switzerland, Germany, France and Britain.

Canadian car sales hit record

BY OUR OWN CORRESPONDENT

CANADIAN car sales hit record figures in the first six months of the year, carried along by the prevailing strong economic conditions.

Sales of all models, North American and foreign, were 21.5 per cent. ahead of the same period in 1972. Sales of North American compact cars, led by the Ford Pinto and Maverick, and GM Astra made strong inroads in the market in the face of rising prices for the bigger cars and the rising cost of operating them in the face of threatened energy shortage and the rising costs of fuel.

In any event, industry officials predict a record year for sales well ahead of the previous record set last year.

The decline in foreign imports was not as large as some industry observers expected as the result of currency revaluations earlier in the year in West Germany and Japan which forced higher import prices on cars produced in these countries. Toyota, Datsun and Volkswagen slightly improved their sales positions over the same period last year.

Prospects in Angola and Mozambique

U.K. TRADE prospects in Angola and Mozambique are to be discussed at a London Chamber of Commerce and Industry conference on October 16. The conference, which is co-sponsored by the Banco Totta Standard de Angola and the Banco Standard Totta de Moçambique, and is supported by the British Overseas Trade Board, is to be chaired by Sir Robert Taylor, a director of the Standard and Chartered Banking Group.

The main aim of the conference will be to look at the prospects both for trade and investment.

The London Chamber plans to follow up the conference by sending a trade mission to Mozambique in the spring of 1974.

New mining venture in Brazil

A NEW Brazilian mining operation yielding 3m. tons a year of bauxite should follow an agreement announced at the weekend between Alcan Aluminium, of Canada, and the iron ore group, Comanhia Vale Do Rio Doce (CVRD). Other aluminium companies which have expressed interest in the project are being invited to join a consortium, in which CVRD and other Brazilian shareholders will have 51 per cent. of the equity. A first meeting of the consortium may be held in Rio de Janeiro in December.

Expo '74 is taking shape at Spokane

BY ART GARCIA IN LOS ANGELES

EXPO '74 in Spokane, Washington, the \$80m. world's fair in America's Pacific Northwest, 100 miles south of the Canadian border, is taking shape. Officials say the exposition is on target for its six-month run that is to start on May 4 next year. But the fair may be in trouble.

Success or monumental failure may hinge on the outcome of negotiations over the next few weeks. Canada, the first nation to sign up as an exhibitor, has also become the first to withdraw. It is now thought that Iran, also an early entrant, may be having second thoughts. But the organisers remain optimistic because Expo officials have recently been in Europe, attempting to lure new entries, particularly England and France.

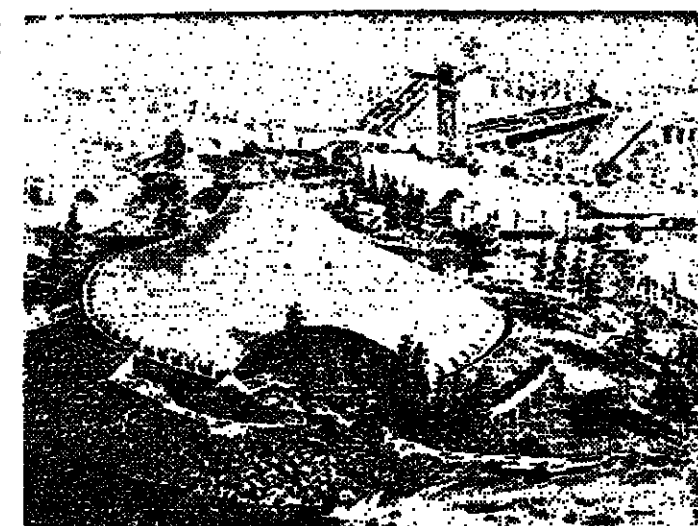
If either or both of those nations agree to submit exhibits, Mr. Mel Alter, the show's general manager, believes, Canada may revert to its earlier plans to build a \$1.8m. pavilion. Iran may then also be swayed and "We are expecting announcements from the Philippines and are working very hard on Mexico," says Mr. Alter. "The U.S. Department of Commerce also is assisting us in South America."

Even if Canada does not take part, it may still be represented by its western provinces, those closest to the State of Washington. The Provincial Cabinet of British Columbia has made its disapproval of the Canadian pull-out clear and has voted to send a delegation to Spokane to meet Hughes Airwest, the regional air carrier owned by Mr. Howard Hughes, has been designated in 1971 and a short time later working with the two other western provinces, Saskatchewan and Alberta, in planning participation.

The fair hopes to book about 12 participating nations. Already signed up are the U.S., the Soviet Union, the Republic of China, Japan and South Korea. Ford became the first corporation to agree to take part, followed by entries from General Motors, Kodak, the Bell Telephone system of American Telephone and Telegraph, General Electric, and Boeing. The Smithsonian Institution has agreed to set up its first presentation outside Washington, D.C. Expo will also run a series of symposia on the environment, featuring 16 meetings of top environmentalists from around the world.

Expo '74 ties in locally with Spokane's centennial celebration, even though that city of 170,000 population actually observes its 100th birthday in 1973, not 1974.

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Not many airlines do, Spokane sits on the edge of a 2,000-foot high plateau. It is the only city of size on the northern U.S. tie between Seattle on the Pacific t the west and Minneapolis in the Midwest plains. The fair is built on 60 acres of a 100-acre site, on two islands and along the banks of the Spokane River. Official forecasts are that Expo '74 will draw more than 5m. admissions over its half-year run. The Soviet Union is building a 52,000-square-foot exhibit, the biggest of all will be that of the U.S., involving about 4.5 acres. The State of Washington is putting up a \$7.5m. pavilion exhibit, including a 2,700-seat opera house, art gallery and exhibit hall that will remain a permanent public building.

Despite its early critics, Expo '74 has been granted official U.S. recognition by President Nixon in 1971 and a short time later working with the two other western provinces, Saskatchewan and Alberta, in planning participation.

SAS Airlines even though it does not fly to Spokane, is planning participation.

Measuring modules agreement

AS THE first step in a major new European co-operation venture, the Electronics Division of Irvin Great Britain is to manufacture and market a new range of measuring equipment under licence in the U.K.

This follows an agreement with SKF of Schweinfurt, Germany, for the production of its equipment, now to be known

as the Irvin-Modular Measuring System SKF 7000. It is intended that Irvin shall design and market further modules to the range which will also be sold to SKF for marketing world-wide by SKF distributors.

This flexible range of modules was designed by SKF for use in industry where virtually any industrial or scientific measuring

requirement can be met by the use of modules from the wide range available.

Both companies see this agreement as the first step in capturing the major share of the modular measuring market in Europe. Sales in Europe for the last year have defined the potential and shown a large market for this sophisticated range.

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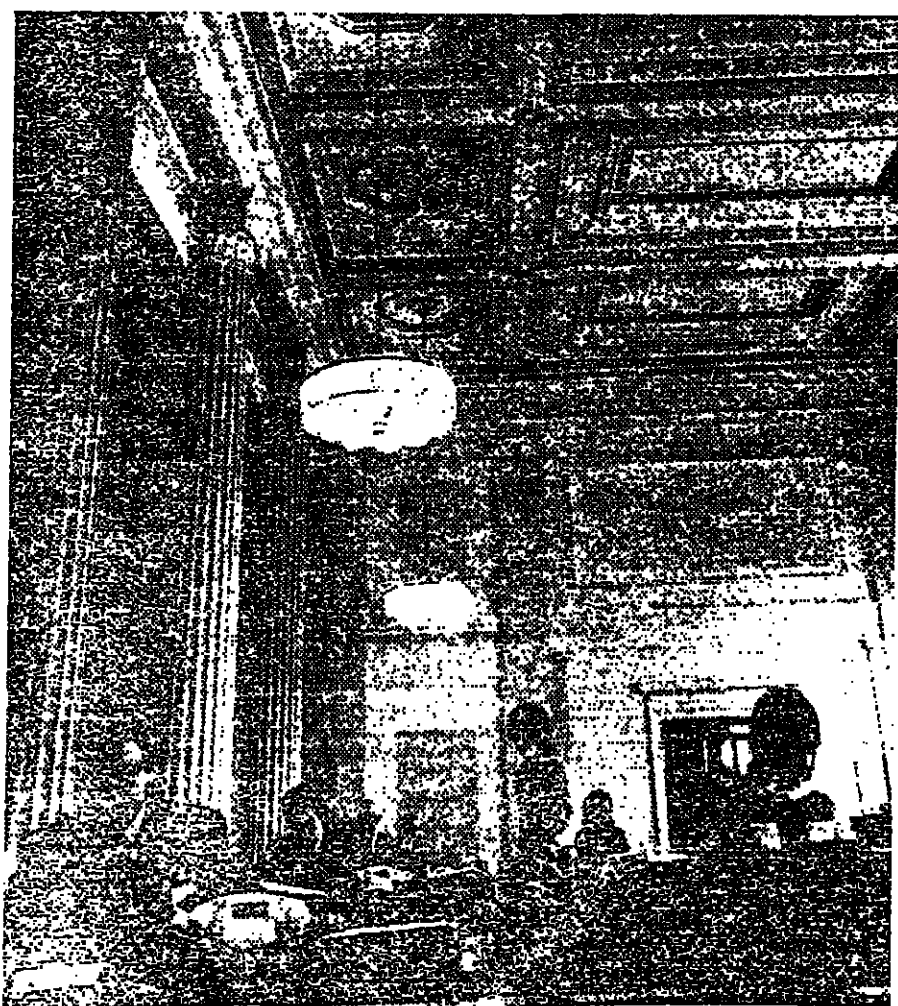
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AMERICAN NEWS

Chile—'drastic measures' to quell resistance

SANTIAGO, Sept. 18. NEW military rulers 1,000, but military authorities led the traditional Chilean independence day parade today. There were a few scattered measures under martial law, but military authorities said the nation was caught shooting at a total of 7,000 p.m. to 7.00 p.m. This was taken as a curfew was enforced and summary executions were allowed into the week after the coup which President Salvador Allende was scheduled to attend. The military authorities said they planned to try all prisoners in military courts. On Monday the Government said 5,200 people had been arrested since the coup. Government spokesmen said the prisoners would be allowed legal aid in their defence. The new military Interior Minister, Gen. Oscar Bonilla, admitted that many of these arrested were innocent, but said "we cannot afford the luxury of making any mistakes" in crushing the supporters of Allende's Marxist Government. He added that innocent prisoners would be freed after "sufficient interrogation". Meanwhile, thousands of shoppers and office workers had their first opportunity to gaze at the battle scars in the city centre. Where last Tuesday's fighting was most severe. The centre of attraction was the mutilated Moneda Presidential Palace. Chile's new military regime is exclusively Nationalist and will exclude politics from its actions. General Augusto Pinochet, President of the junta, said in a radio and television broadcast. Navy commander Jose Merino said a very large sum of money had been found in searches in various parts of the country and added, "The country is bankrupt because the country has been robbed." He accused the deposed Government of creating financial disorder and said there must be austerity for the reconstruction of the fatherland. "We must work a miracle." Air Force commander Gustavo Leigh said the international airport and frontiers would be reopened this week. He called on the population to denounce the whereabouts of any officials of the deposed Government if they knew where they were so that they should account for their activities to the junta. He named, among others, former Economy Ministers Pedro Vuskovic and Jose Cademartori and three prominent ex-Congressmen. In Gander, Newfoundland, Cuban Premier Fidel Castro said his Government had "concrete evidence" that the Central Intelligence Agency and the Pentagon were involved in the military takeover in Chile. He did not elaborate, but said he would reveal his evidence at a later date. UPI, Reuter. See also Page 23

Modest' wage rise at Chrysler

GUY DE JONQUERES. TENTATIVE new contract on Friday evening. The UAW appears to have placed most of its bargaining muscle behind improvements in fringe benefits and issues of principle rather than monetary demands. Indeed, the flat wage increase is reported to be extraordinarily moderate, averaging 25 cents per hour over the first year of the contract and tapering off to 15 cents or a mere 3 per cent in the last two years. In addition, the UAW has apparently won an improvement in its cost-of-living escalator clause, which now provides a one cent per hour pay increase for every 0.35 per cent move in retail prices, instead of 0.4 per cent, as under the old contract. However, the union has also been ratified by the union agreed that one cent per quarter. Until this happens, should be channelled into new joint committee to deal with operations following the. For the present, the UAW's most important moral victory is of its U.S. and Canadian most important moral victory is

WASHINGTON, Sept. 18. undoubtedly its success in persuading the Chrysler management to give ground on the controversial issue of mandatory overtime, although the union has not come away with all the concessions that it claimed to be seeking. Motor industry workers will now have a greater say in deciding what overtime they work under a complex new formula which allows them to turn down overtime on week-days after a nine-hour daily minimum and a perfect attendance record. Overtime will no longer be mandatory on Sundays. In addition, the UAW has won the right to greater influence over improving health and safety conditions on the production line and has agreed with the management on the establishment of a joint committee to deal with worker discontent, drug abuse and alcoholism.

U.S. BICENTENARY

A party with problems

BY NANCY DUNNE IN WASHINGTON

IN DOWNTOWN Washington a Mack truck carries dirt from the excavation path of the city's new subway. The lorry, scratched and dusty, is painted with red, white and blue stripes and large white stars in honour of the 200th birthday of the U.S. in 1776. The yellow-bellied workers at the construction site move at a snail's pace on a day when temperatures will approach 100 degrees. On other days the pace quickens. The tunnel is to be completed in time for the birthday. On many levels—in many forms—local, State, national and even international commissions seem finally to be getting the American Bicentennial celebrations off the ground. Almost since the American Revolution Bicentennial Commission (ARBC) was established seven years ago, the planners have been under fire for playing politics, commercialism, and a general lack of accomplishment. ARBC, on the defensive, has had little to show for the millions spent on high staff salaries, expensive studies and big operational costs. Now, with the commission facing its third reorganisation, time is getting short, and ARBC, with one exception, seems to be working on feasible, appropriate programmes to mark the birthday. The greatest difficulty has been in producing a focal point for the celebration, keeping in mind one of the Commission's objectives that the bicentennial must be "truly national in scope." After seven years, the Commission is touting its third master plan for a major event. Plan I, a Philadelphia fair, was abandoned when the cost of \$1,000m. was deemed "too expensive." When it went down the drain, so did years of planning and \$3.5m. spent on

salaries and consulting fees, plus time spent by highly paid staff people. It was succeeded by another multi-million dollar scheme, a plan to build 50 Bicentennial Parks—one in each state. Now we have Plan III. Cost of the project: \$1,000m. The proposal, if it can be privately financed, is under the auspices of taking action in various areas: chandising campaigns centered around the anniversary. Baskin Robbins, a chain of ice cream parlours, is promoting a great to American ice cream series, states and local communities to Hallmark Cards is planning a new patriotic line. Lipton Tea proposed a tea party on the Boston wharf. Besides the charges of commercialism, there are accusations that the White House is seeking to use the bicentennial for political ends. Writing in a Progressive magazine, Mr. Rifkin and a journalist, Mr. Erwin Knoll, claim: "President Nixon has conceived a plan to manipulate the mass psychology of an entire nation back into conformity with his vision of what the American way of life should be. The strategy will be to speak of greatness to those who feel insignificant; to speak of confidence to those who feel weak... the long-range goal is to convince people that the problems facing America can be solved by existing institutions." While there are some things to be suspicious of in the U.S. Bicentennial plans—and Americans are more suspicious since Watergate—Mr. William Butler, Assistant Deputy Director for the shipbuilding industry. And things have been improving for six or seven months, he says. Presiding over a nationwide electronic network which will soon be hooked up with all State commissions, Mr. Butler can by a touch of the index finger, receive up-to-the-minute information about any of the hundreds (eventually, thousands) of state and local programmes being developed. About 30 programmes ranging from the



board. The schizoid nature of ARBC's policies, it appears, is caused by political pressure from above clashing with the more practical ideas of the lower level Commission staffers. It is, of course, good business to help out the shipbuilding industry. And chumminess with business is another charge ARBC has faced. Mr. Jeremy Rifkin, head of a rival organisation, the People's Bicentennial Commission, calls the image of Nixon—white, middle aged, corporate... with the slogan, "What's good for business is good for the Bicentennial." The Bicentennial, Mr. Rifkin says, "provides a goldmine of opportunities and the diggers are all trying to jump in." He cites hundreds of mer-

re-creation of a Revolutionary War camp site on the banks of the Potomac in Washington, DC, to a programme for assisting American ice cream series, states and local communities to Hallmark Cards is planning a new patriotic line. Lipton Tea proposed a tea party on the Boston wharf. Besides the charges of commercialism, there are accusations that the White House is seeking to use the bicentennial for political ends. Writing in a Progressive magazine, Mr. Rifkin and a journalist, Mr. Erwin Knoll, claim: "President Nixon has conceived a plan to manipulate the mass psychology of an entire nation back into conformity with his vision of what the American way of life should be. The strategy will be to speak of greatness to those who feel insignificant; to speak of confidence to those who feel weak... the long-range goal is to convince people that the problems facing America can be solved by existing institutions." While there are some things to be suspicious of in the U.S. Bicentennial plans—and Americans are more suspicious since Watergate—Mr. William Butler, Assistant Deputy Director for the shipbuilding industry. And things have been improving for six or seven months, he says. Presiding over a nationwide electronic network which will soon be hooked up with all State commissions, Mr. Butler can by a touch of the index finger, receive up-to-the-minute information about any of the hundreds (eventually, thousands) of state and local programmes being developed. About 30 programmes ranging from the

Senate panel approves Kissinger appointment

WASHINGTON, Sept. 18. THE U.S. SENATE Foreign Relations Committee today overwhelmingly approved—with only one Senator dissenting—the nomination of Dr. Henry Kissinger as Secretary of State. Only Senator George McGovern, the defeated Democratic Presidential candidate last year, voted against Dr. Kissinger's confirmation—a symbolic protest against the Nixon Administration's foreign policies. The committee's approval cleared the way for a vote by the full Senate as the last step in the confirmation procedure probably late this week. Dr. Kissinger, who would succeed Mr. William Rogers, hopes

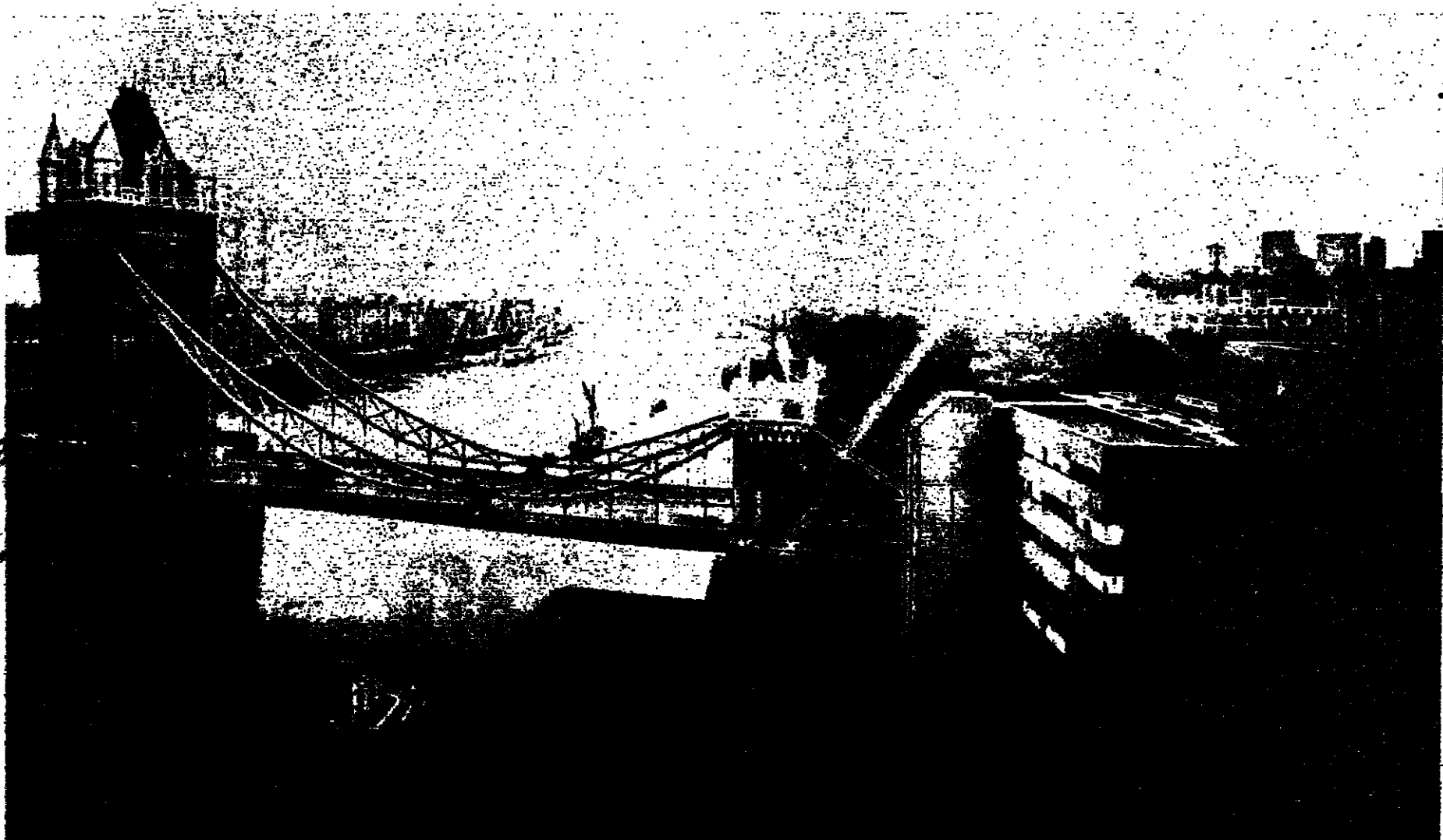
SoCal makes 'major' oil discovery

SAN FRANCISCO, Sept. 18. STANDARD OIL of California said it made a "major oil discovery" near McKittrick, California, in the Elk hills area of San Joaquin Valley. Exploratory Well 333 was drilled to a total depth of 10,015 feet and is flowing at rates up to 6,940 barrels of oil and 3m. cubic feet of gas a day. The company has started two follow-up wells, which have been drilled to a depth of 6,922 feet and 8,835 feet. A company spokesman said the company would be able to evaluate the find better when these two wells are completed. AP-DJ

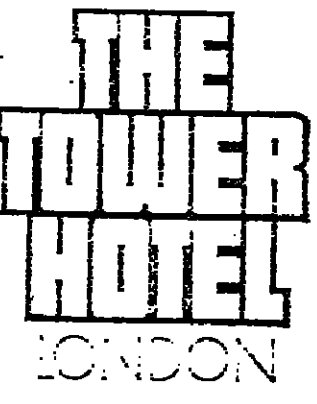
Latin American central bankers focus on SDRs

RIO DE JANEIRO, Sept. 18. LATIN AMERICAN Central Bank governors-general are holding their 17th meeting with all Latin American countries, except Chile, discussing their economic development. The agenda of the four-day meeting includes talks on diversification of international reserves of developing nations, thinking to face the industrialised countries. His relationship with developing countries, the role of central banks in promoting exports and a report on bonuses offered by the Inter-American Development Bank. However, the main topic of the debate, sources said, will be special drawing rights—SDRs—on questions they consider vital to their future. AP-DJ

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EUROPEAN NEWS

Butter sale under fire from Community MPs

BY REGINALD DALE, COMMON MARKET CORRESPONDENT

LUXEMBOURG, Sept. 18.

THE COMMON MARKET'S cut-price sale of surplus butter to the Soviet Union earlier this year faced severe criticism from European parliamentarians here to-night — particularly on the ground that the parliament was not consulted before the deal was finalised by the Brussels Commission.

However, a debate on the issue was held up as conditions in the new parliamentary chamber here reached near fiasco with a series of breakdowns in the simultaneous translation system and deputies complaining of excessive heat and deplorable acoustics. The session was held up for almost an hour while furious parliamentarians discussed whether or not to try to move back to their former smaller chamber in another nearby building.

The deputies were due to debate a resolution that would call for 50m. units of account (pre-Smithsonian dollars) to be deleted from the Community's supplementary budget for 1973 in protest at the Russian butter sale. The 52m. units would represent the "excessive refunds" that were paid by the Com-

munity to bring down the butter price for the Soviet Union.

The draft resolution, which is due to be put to the vote on Thursday, would also urge the Council of Ministers to agree to an increase of 120m. units in the finance available for the Community's Social Fund this year—as proposed by the Commission—on which no decision has yet been taken by ministers.

Introducing the resolution, Herr Heinrich Aigner, a German Christian Democrat and vice chairman of the Parliament's Budgets Committee, said that the supplementary budget was the "most serious" produced by the Community and had created real shock and consternation in the different member countries. The supplementary budget totals 571m. units, of which 54m. are needed for the Common Agricultural Policy. The much criticised butter sale to Russia, which amounted to 200,000 tons, cost the farm fund 300m. units.

Outrageous

Herr Aigner said it was outrageous that such amounts of money had been spent subsidising sales to a country that was an "acknowledged enemy" of the Community—profits from the

deal might be used to finance hostile Communist parties, he suggested. It could not be accepted as the responsibility of the European Parliament.

The Parliament, however, can do little more than register its protest at the deal retrospectively with as much vigour as possible. Even if the resolution is adopted, the Parliament cannot oblige the Council to cancel the allocation of extra funds.

Nevertheless, the resolution suggests a number of ways in which serious miscalculations of the cost of the farm policy might be avoided in future. The Commission and Council should set farm prices on time, member States should give the Commission better production forecasts and price setting should channel production to non-surplus areas.

In addition, the resolution says more should be known about third country markets. Herr Aigner to-day said that the Community seemed to have thought it was in a buyer's market when it negotiated the Russian deal, when in fact the world was rapidly moving towards a seller's market. A much higher price could have been extracted from Moscow, he claimed.

Budget worries over Italy's rail deal

BY ANTHONY ROBINSON

ROME, Sept. 18.

THE DIFFICULTIES which the Italian Government faces in keeping public sector spending within the budget deficit limits which form the key reference point for the entire range of Government policies, has been highlighted by the compromise agreement reached between the Government and the railway unions.

The agreement is due to be ratified by the unions on Friday but the draft agreement is estimated to add at least 120,000m. lire to the deficit of the State railways next year.

Even before the agreement, this deficit was estimated at 799,000m. lire in 1974. The deficit of the nationalised railways forms one of the largest single elements in the overall budget deficit. It has grown continuously in size as costs have soared while railway tariffs have been fixed for over a decade.

A low rate of investment has also contributed to bottlenecks and obsolescence. Last week, however, the Government top level planning body, CIPRE, approved a 10-year investment programme which will cost an estimated 4,000,000m. lire for doubling and quadrupling tracks, improved signalling and rolling stock and other improvements. The State railways have

just borrowed 320m. on the Eurodollar market and it is expected that investment of the dimension now envisaged will make further international borrowing likely over the next decade.

Meanwhile, the global cost of the three year agreement is estimated to be around Lire 335,000m. over this period, but even this figure represents a considerable reduction on the original claims. This reflects the fact that the unions have agreed to temporarily forego their requests for higher pensions and have agreed to phasing which will limit the cost for the remainder of 1973 to around Lire 65,000m.

The whole subject of higher pensions, however, is now expected to become one of the major initiatives which the trade unions intend to demand as part of the price for relative moderation in pay claims during Phase Two of the price control and planned investment package now being put together by the Government.

In addition to higher pensions the unions are also demanding higher unemployment benefits in an attempt to ensure that at least the poorest elements in Italian society obtain some relief from the effects of inflation.

Bonn opposition facing new challenge to its unity

BY JONATHAN CARR

BONN, Sept. 18.

THREE MONTHS after apparently solving its leadership problems, signs of strain are appearing again within West German opposition ranks.

The new problem concerns a proposal by the chairman of the Christian Democratic Union (CDU), Dr. Helmut Kohl, for a new foreign affairs spokesman in the party presidency.

He suggests Dr. Walther Leisler Kiep, party treasurer, to succeed Dr. Gerhard Schröder, a much respected party figure and former Foreign Minister, to the post.

Dr. Kohl's proposal has caused widespread astonishment, since Dr. Kiep is a highly controversial figure within the party, mainly over his attitudes to Ostpolitik—the government's efforts to improve relations with Eastern Europe.

Dr. Kiep has supported aspects of the Ostpolitik and was one of four opposition deputies who—against their own party line—voted in favour of the general relations treaty with East Germany.

Sharp contrast

His attitude thus contrasts sharply with that of Dr. Karl Carstens, the opposition leader in the Bundestag, who is constantly taking the Government to task over the way it is handling its relations with the East.

At a Press conference to-day, Dr. Kohl said Dr. Kiep would not be "Foreign Minister" of the CDU and denied that his proposal meant a change in opposition foreign policy.

However, observers believe Dr. Kohl may well be seeking at least a change of emphasis—bowing to those CDU elements who feel that attacks on the Ostpolitik, in any case largely carried through, are doing the party no good in the country.

Whatever his intention, the proposal risks division not only within the CDU but with its sister party, the Bavarian party.

Christian Social Union (CSU) always strongly opposed Ostpolitik.

The leader of the CSU, He Franz-Josef Strauss, has not been seen as opposition king maker. It was his attitude which finally helped make the position of Dr. Kohl's predecessor, I. Rainer Barzel, untenable. I. Barzel resigned and was replaced in June by Dr. Kohl.

Replying to a question to-day, Herr Strauss said who the CSU decided to make its foreign affairs spokesman was a matter beyond the competence of the party.

West German producer prices rise again

BY MALCOLM RUTHERFORD

BONN, Sept. 18.

WEST GERMAN industrial producer prices—currently one of the main factors in the country's inflation—rose by a further 0.4 per cent. last month and are now 7.4 per cent. up on a year ago. The index (1962=100) rose to 124.9.

The August rise was considerably less than in July, when it was 0.8 per cent. however, this does not disguise the fact that the general trend is upwards. In January, the year-on-year increase was only 4.8 per cent. By April it was 6 per cent. and by

June 6.7 per cent. In other words, producer prices are now rising much faster than the cost of living as a whole. August the COL index actually dropped for the first time in 11 years and was 7.2 per cent. on August 1972. This is largely attributed to seasonal cheaper foodstuffs.

The Economics Ministry waiting for some autumn figures before making a more general assessment of the way prices are moving, but on the basis of industrial producer figures cannot be very hopeful.

Another watch company hits labour trouble in France

BY GILES MERRITT

PARIS, Sept. 18.

WITH THE LIP crisis lagging on unresolved, the small town of Besançon has a new headache now that another major watchmaking company there is in the grip of labour trouble.

Kelton, the French subsidiary of U.S. Time, is now faced with a potentially damming strike by most of its skilled workers.

Turned down

The main rates of the Kelton factory in Besançon were closed to-day and closely picketed by the strikers. Of the factory's 2,500 employees, about half are now on strike. Most of them are from the factory floor.

Although the strike is in support of a new pay agreement—the men have turned down a

3 per cent. offer by the Kelton management—there are several features strongly reminiscent of the LIP crisis.

Last night the strikers moved in on the factory and began to occupy it. At present they are still in control of the works canteen and the factory gates. Those employees who have not joined the strike—and it is claimed they are mainly clerical—this morning had to be let in by the management through side entrances.

Meanwhile, the protracted LIP peace negotiations at Arcet-Senans last night were postponed until Friday.

Despite Premier Pierre Messmer's threat over the weekend that Monday's talks would have to produce a settlement or the Government would withdraw from the negotiations, the LIP

workers are clearly pressing strongly for a settlement involving no redundancies at all.

On the run

They clearly feel they have the authorities "on the run," as the Government's offer to make only 350 men redundant was last week greeted as a major concession following the previous figure of 800-900.

The LIP negotiators are also understood to be making much of Britain's own "affaire LIP," in which workers at the Japanese Seiko company's London subsidiary threatened to take over assembly and sales if a redundancy plan there was put into effect. The LIP men are pointing out that the Seiko workers were promptly guaranteed job security.

Naples harbour fish stalls destroyed

BY OUR OWN CORRESPONDENT

MORE THAN 600 police and workmen, supported by naval launches commanded by an Admiral, to-day started tearing down fishermen's huts and stalls near Naples harbour in a campaign to prevent the spread of cholera.

Many of the shacks in the picturesque area were used for selling shellfish, and particularly mussels, blamed officially for the spread of Italy's cholera epidemic which has claimed 56 lives.

Three of the city's top officials were yesterday notified that they were under investigation by the public prosecutor and might be charged with criminal negligence in connection with the outbreak, which started in Naples three weeks ago and spread to other Italian cities.

As hospitals here reported a further sharp decline in cholera

cases, large squads of police, public security officers, and firemen sealed off the city's Mergellina area at dawn. Naval launches were seen just offshore where until recently there were large beds of mussels—a favourite local dish.

Ignoring shouts of "shame" and "hooligans" from crowds of fishermen standing nearby, workmen destroyed the huts and stalls with hammers and pickaxes. Officials said that many fishermen and vendors, who also sold drinks and snacks, had ignored stringent new hygiene regulations.

Two weeks ago naval minesweepers dredged almost all the mussel beds and dumped the shells several miles out at sea. Reuter

Swiss companies may have to disclose more facts

BY JOHN WICKS

ZURICH, Sept. 18.

THE WORKING party appointed by the Swiss Government to give recommendations on a revision of the country's corporate stock laws is to study ways of improving the transparency of joint-stock companies.

At present, Switzerland calls for much less published information from joint-stock undertakings than most other countries.

While the Federal Council—the Swiss cabinet—does not itself consider a revision of existing rules on corporate publicity to be necessary, it stated in reply to a Parliamentary question that it feels it would be in the public interest if large concerns would publicise their activities more.

It would, however, be going too far, says the Council, to demand from the many small and very small joint-stock companies in Switzerland "information in which nobody is interested."

These remarks from the Government may be taken as a strong hint for some big publicly-listed concerns to improve their publicity voluntarily. There have been important steps in this direction in recent years, but the accounts of most major companies still fall well short of usual requirements in other Western countries. It would, as the Federal Council points out, be hard to introduce across-the-

board legislation on corporate publicity as many thousands of concerns in Switzerland have the "AG/SA" corporate form which in Germany, for example, tends to be reserved for large companies. The "GMB/SARL" corporate type is barely made use of for native operating companies, so a line cannot be drawn between the two for publicity purposes with as much effect as was the case in a recent German revision.

GREECE SETS UP CONSTITUTIONAL COURT

ATHENS, Sept. 18.

The Greek Government has appointed an 11-man civilian constitutional court as a first step towards restoring Parliamentary rule in Greece. The all-civilian composition of the constitutional court—the first in modern Greek history—echoed rumours that President George Papadopoulos might have chosen former officers.

Members of the new court, which Mr. Papadopoulos pledged to set up this month to screen political parties and candidates, are High Court judges, jurists and prominent citizens.

Swiss resort project may be scrapped

By John Wicks

ZURICH, Sept. 18.

PLANS to build a Swiss-French tourist centre at Muverettes in Bernese Oberland are expected to be given up in the high official opposition. At a meeting in the Swiss holiday resort between the project manager, local planners and municipal, cantonal and Federal representatives, no compromise could be reached with authorities which would have permitted the creation of a scale new hotel, chalet, cater, congress, retail and spa facilities on the site of the ex-Palace Hotel.

Apart from a call for cantonal and Federal governments for a number of debates before the granting permission to carry out scheme, the Federal Minister Justice indicated that it was opposed the project in the of the land in question—w at present belongs to Aar and Canadian interests—shares in the Palace Hotel, pany being transferred to 6 foreigners. Sales of this are currently banned in Switzerland.

AT LAST, EUROPE ENTERS BRITAIN.

On 2nd October, 1973, Europe is entering Britain, in the form of a totally new publication, Europa.

Europa is the first truly European newspaper, written by Europeans, for Europeans.

Published monthly (on the first Tuesday of each month) and simultaneously with Le Monde (Paris), La Stampa (Turin), The Times (London), and Die Welt (Hamburg), Europa will deal with economic, financial and industrial affairs, and allied social questions, as they affect the total European business community.

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EUROPE UNDER THE MICROSCOPE

CO-ORDINATOR FOR COMMON MARKET

MR. FREDDY KEARNS, 52, who has spent some years in negotiations with the Common Market, both before and after membership, has been appointed to the new post of Second Permanent Secretary in the Ministry of Agriculture. He will be responsible for co-ordinating affairs connected with the Common Market at a salary rising to £15,000 a year.

Second stage of security talks under way

BY DAVID EGLI

GENEVA, Sept. 18.

IN A BRIEF plenary session, the second stage of the Conference on Security and Co-operation in Europe got under way here to-day.

Representatives of 35 countries divided up almost immediately into the three main committees which will tackle the heavy agenda worked out in Helsinki during Phase One.

Each committee has attached to it a number of sub-committees—there are 11 in all—and will attempt, through the intensive confrontation of ideas, to determine whether a consensus can be achieved.

The work of only two sub-committees is devoted specifically to the question of European security; the first dealing with basic principles in relations between States and the second examining the causes of tension and such measures as may be introduced to overcome these.

This part of the work of the Conference is of particular interest to the Soviet Union, which has already provided a draft resolution on basic security principles.

While these appear to be generally in line with Western thinking, it is clear that a very

considerable amount of time will be devoted to tightening up the draft language and ensuring that everyone really agrees on just what is meant.

In the meantime, the West European countries, with the U.S. and Canada—and hopefully all pulling together—will be stressing the need for a freer flow of information and an extension of cultural and educational co-operation, permitting far greater human contacts between Eastern and Western Europe.

This is the work of four sub-committees under Committee 3 and it seems clear that if the

Russians want to walk away from the conference with an agreement of security principles they will have to give ground in these areas. Another section negotiation deals with technology and the environment. It is one in which both sides will stand to gain if they work out their cards correctly.

Several months will probably go by before it is clear if work implied in this stage agenda can be dovetailed into a final agreement. Only then the third stage of the Conference will be held in Helsinki, if the embarked upon.

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مركز الأخبار

Dutch budget attack on inflation, unemployment

MICHAEL VAN OS AND FRISO ENDT

AMSTERDAM, Sept. 18.

A MANY-SIDED attack on the Queen's speech, which laid the main stress on the country's social-economic position, said that an urgent study would be made into the possibility of government legislation to achieve some sort of balance between the two main points of the speech: inflation and unemployment.

A clear reference was made to the problems surrounding the more recent Dutch merger battles and the powers of works staff councils are expected to be increased in this field.

A new Bill will be proposed on a compulsory advance notification of large-scale redundancies, while a recommendation will be sought on the advisability of further measures regulating union activities on the shop floor. The right to strike never officially recognised in the Netherlands, will be legalised as soon as possible, including that of civil servants.

As forecast, a number of changes are proposed in taxation. Basically, the tax burden—the total tax revenue as a percentage of national income—will be raised by 0.6 per cent. to 30.1 per cent.

Prices pledge

However, the Government has pledged that the Fls.1,035m. tax burden will not put up private consumer prices by more than 0.1 per cent. A study on the possible introduction of a capital gains tax is expected to be completed by the middle of next year. Tax increases include petrol and diesel oil. Excise increases to yield Fls.240m.

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KLM expects loss from revaluation Page 28

Fresh Swedish election likely

JOHN WALKER

STOCKHOLM, Sept. 18.

THE loss suffered by the Liberal Party was 24 seats to a total of 94.

Under the Constitution the present Government can continue in power in any case until the end of this year as the present Parliament has still three months to run. It is also possible for the Government to continue after the New Year and also stay in power for the three years of the Parliament, but this course of events is considered unlikely.

The only alternative is for the Social Democrats to try to form a coalition with one of the opposition parties. Again this course of events is also unlikely, as the three opposition parties are now within striking distance of ending the Social Democrats' 41-year tenure of office.

If the Social Democrats did in fact try to stay in office for the full three-year term, in spite of a deadlock, the Constitution provides for a deadlock situation by having a lottery which is controlled by the Speaker of the House who has an agreed list of names to include from each Party. This lottery is normally used for decisions in minor issues and it has not been employed so far in a case like today's.

To end the future possibility of creating a deadlock situation, an all-Party committee agreed that the 350-seat Parliament should be reduced to 249 seats. But this does not come into operation until January 1, 1977, following the next General Election to be held in September 1976.

Most political observers think that the possibility of Mr. Palme riding out three years on the edge of a precipice is most unlikely and that there will be an election in the Spring.

Brezhnev in Bulgaria for talks on Macedonia issue

BY PAUL LENDVAY

VIENNA, Sept. 18.

SOVIET PARTY leader Leonid Brezhnev arrived in Bulgaria today on a surprise visit, apparently arranged at very short notice.

Officially, the reason for Mr. Brezhnev's visit is to receive a high Bulgarian decoration. Both the timing and the circumstances of his trip indicate, however, that the external and internal repercussions of the sharpening conflict between Bulgaria and neighbouring Yugoslavia over the Macedonian question will figure as the main topic in his talks with the Bulgarian leadership.

Hardly a week passes without new public clashes between the party by increasing its from 71 to 90 seats. For conservatives the increase in seats to a total of 51.

Hungarian Deputy PM dies of injuries

By Our Own Correspondent

BUDAPEST, Sept. 18.

DEPUTY PRIME MINISTER Mr. Peter Valyi died this morning as a result of severe burns received in an extraordinary accident on Saturday. Mr. Valyi was visiting the Lenin metallurgical works in Miskolc, north Hungary, when he tripped in the iron foundry and fell into a pit containing red hot molten metal. He was taken immediately to the country hospital together with the director of the works who, in an attempt to save Mr. Valyi, also fell into the pit.

Mr. Valyi, one of the outstanding personalities of Hungarian economic life, was a very true supporter of the economic reforms introduced in 1968 and Hungary's permanent representative on Comecon where he was one of the main proponents of Comecon integration. A chemical engineer by profession, he became Minister of Finance in 1967 having held various positions in the national planning office since the early fifties. In 1971, he was made Deputy Prime Minister. He was 54.

TRIDENT SUB COST WARNING

WASHINGTON, Sept. 17.

THE U.S. Navy's programme for accelerated development of the missile-firing Trident submarine may turn into a costly exercise in planned obsolescence, a U.S. Senator said today.

The cost of the submarine, estimated by the Navy at \$1,500m each, may run as high as \$2,000m, Senator James Abourezk (Democrat, South Dakota) said.

TAXES IN FRANCE

Giscard tightens the net

BY RUPERT CORNWELL IN PARIS

THE FRENCH Finance Minister, M. Valéry Giscard d'Estaing, is due to unveil today the draft of the French Budget for 1974. The Press conference he calls for the occasion has become something of an annual event, at which the Minister gives a masterly picture of the Budget and the economy as a whole, showering statistics and forecasts onto the heads of the assembled journalists, without so much as glancing at a note.

This year, in the run up to the big day, there has been even more speculation than usual about what he may have in store. For once again the much reviled French tax system and its shortcomings are in the news.

Tax has been at the root of many a French scandal in recent years and the present crop is surely exceptional. It was, after all, tax inspectors who unearthed the strange goings on in the Bordeaux wine trade, and the labours that led to the charging of millionaire racehorse owner and art collector M. Daniel Wildenstein with tax evasion. Running into many millions of pounds. But more important in the long run perhaps is that these lurid affairs are evidence of a new urgency in the Government's approach to the whole issue of tax reform in France.

For several years reform of the system has been making slow but steady progress. Loopholes have been plugged, and only at the start of August this year the draft was released of a Bill that would modernise the structure of local taxation. However, it is above all the political necessity of fulfilling pre-election pledges of a more just, more equitable, France that has nudged the Government into speeding up the process.

Whatever the Budget itself may contain—and the general consensus seems to be that on balance tax changes will be slight—M. Giscard d'Estaing is certain to be pressed to give a clearer idea of his idea of the fairer system that he is working towards as well as to reveal more on the scandals that are once again back on the front pages of French newspapers.

That the country's tax system should be so widely denounced, except perhaps by the rich who appear to prosper mightily under it, is not the smallest oddity in France, so many of whose politicians have won their spurs as *inspecteurs des Finances*—highly skilled in tax and economic administration. Yet M. Giscard d'Estaing himself has described it as "18th century."

The basic criticism levelled at its structure is that it favours the rich and their unearned income at the expense of the poorer wage earner living exclusively off his salary. A main reason for this has been the ease of escaping taxes, both legally and illegally, by the wealthy.

Agriculture is as favoured as anything. It was estimated, for example, by the independent Tax Council last year that only 23 per cent. of farm income is currently taxable. Moreover it is perfectly possible, as the former Prime Minister, M. Jacques Chaban-Delmas, demonstrated to the great discomfort of both himself and the Government in 1972, to avoid paying taxes altogether by making use of the tax credit arrangements on dividends.

However, far more serious for the authorities is illegal tax evasion which exists on a large and highly organised scale. It is here that the Finance Ministry has directed its attack, and so successful is it proving that it has been estimated that the clampdown could bring up to another Frs.5,000m. or more into the full year. The strengthened and more aggressive teams of tax inspectors have become, improbably, almost like latter-day Robin Hoods; M. Wildenstein—who, it must be said, is adamant that he is innocent—is only the latest of their victims, and scarcely a day passes without fresh disclosures. For example, a Cannes

real estate promoter is reported to have agreed to pay Frs.5m. in back taxes and a fine of Frs.500,000, and it is widely expected that more famous heads will roll.

The publicity aroused by the campaign can only help the Government as a whole, anxious to make good its promises of a more egalitarian France, as justice is seen to catch up with one big name after another. But it is also part of the whole strategy of M. Giscard d'Estaing, to reshape the tax system, though he will probably not be averse to any popularity windfall it may bring him, just three years before a Presidential election in which it is widely predicted he will be a candidate.

If the legend of the French as perennial tax dodgers is true, then the one that they pay less than anyone else is most definitely not. As recent figures from the OECD show, France comes behind only the Scandinavian countries, Netherlands



Giscard d'Estaing: small steps to budget equality

At present income tax is only paid at the end of the year, in three slices. Every February sees the arrival of the dreaded income-tax return form and French newspapers contain supplements to explain to an anxious population how to fill them in. Under such a system, too, it is scarcely surprising that memories stretching back over 12 or more months become a trifle vague on occasion.

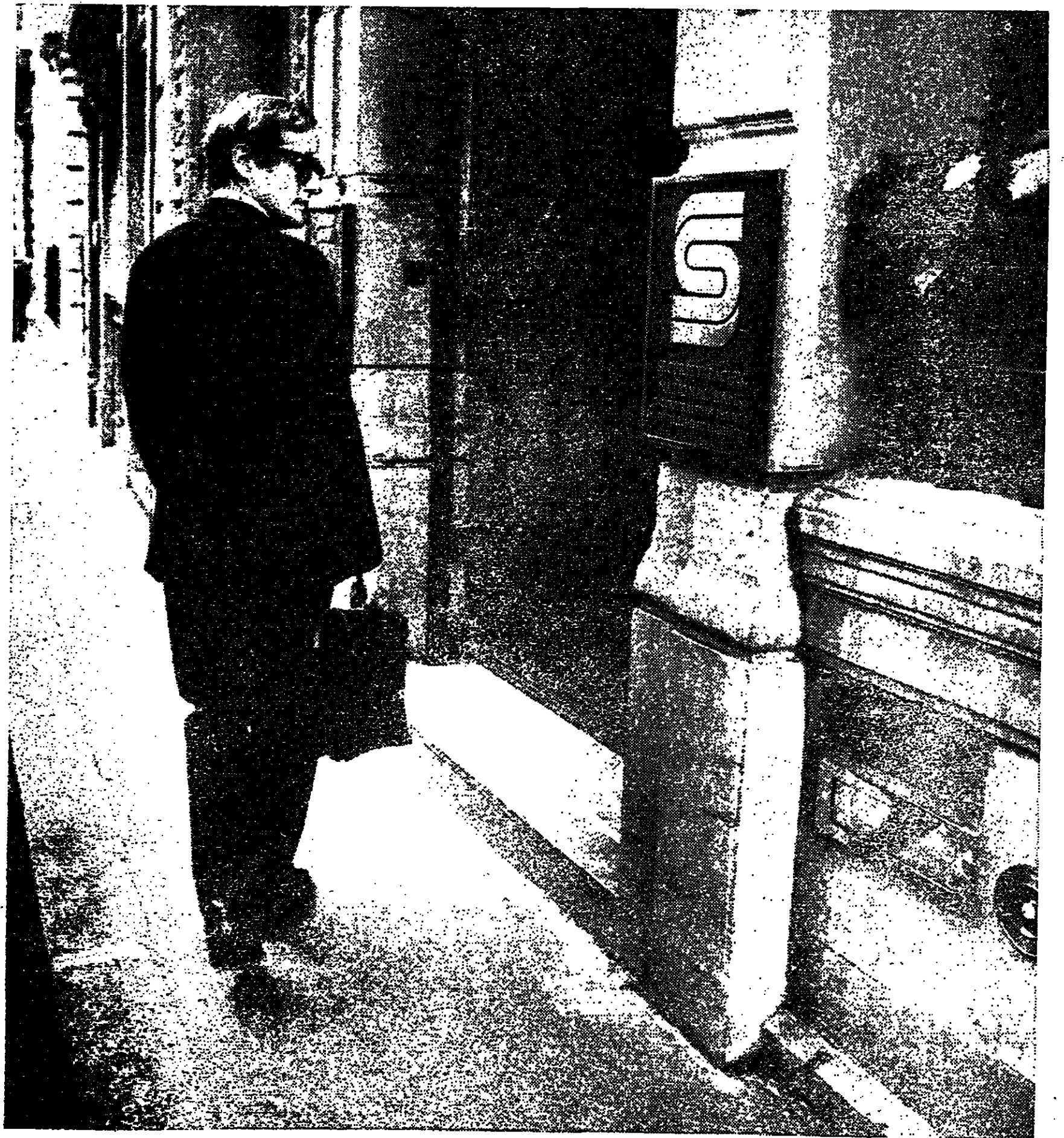
Yet things are already changing. At present 80 per cent. of French departments are covered by a scheme whereby a Frenchman can make prepayments on a monthly basis. This will embrace the whole country by 1975.

But there are distinct limits to M. Giscard d'Estaing's reforming zeal as the next week will probably make clear. He has apparently ruled out for the moment any question of a small tax on capital which many had expected to be an image-improving part of the package.

He will also be concerned on Wednesday to do as little as possible to interfere with economic growth. Expansion in France has found a firm ally in the tax system. Unjust it may be in some ways, but the substantial fiscal incentives to save rather than spend have helped channel money into industry and investment. Despite the misadventures of M. Chaban-Delmas, the "avoir fiscal" tax credit on dividends still exists.

So it is unlikely that the Budget will constitute more than a small step towards the goal of greater equality. Some slight measures, mainly window-dressing, may be taken against the very rich, and income-tax grades may be adjusted slightly in favour of the lower paid.

More interest perhaps will be paid to the answers the Minister gives to certain questions than to the actual measures he announces, but even if little does happen in the Budget, M. Wildenstein would be the first to say that things are not what they used to be.



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OVERSEAS NEWS

Al Fatah leader freed in Jordan amnesty

BY JOHN BONAR

KING HUSSEIN of Jordan has decreed a general amnesty for all political prisoners in the country. Most prominent amongst those to be released is the Al Fatah leader Mohammed Daoud Odeh, code name Abu Daoud, who was captured in February with a group of guerrillas on a subversion mission against the Jordanian regime.

Altogether some 200 prisoners are unofficially estimated to be affected by the amnesty which comes on the third anniversary of the 1970 civil war. Many of those to be released are extreme hard core left-wing Palestinian guerrillas who were captured in the Government's final sweep against guerrillas in 1970.

The order came in a letter from King Hussein's Prime Minister Zaid Al Rifai this morning and the Cabinet is meeting this evening to approve a draft law which will go to King Hussein for signature later to-night. The first prisoners will be released tomorrow. A Government spokesman said there could be administrative delays of up to three days for such reasons as issuing released prisoners with identity papers. The amnesty also includes political refugees sentenced in absentia.

Reconciliation

No reason was given for the general amnesty but the limited amnesty has been traditional in Jordan at this time of year just prior to the Moslem fasting period of Ramadan which starts in 10 days. The decision to make it a general amnesty is in line with Jordan's reconciliation with the other frontline Arab states of Syria and Egypt. Relations with these countries which have been hostile to Jordan since the crackdown on guerrillas is expected to be eased by the amnesty.

Observers here consider the

move to release Abu Daoud was also motivated by a wish to remove the temptation for extremist guerrilla groups to mount operations to blackmail Jordan into releasing Abu Daoud. The Black September attack on the Saudi Arabian embassy in Khartoum this spring, in which three foreign diplomats were murdered, and the armed abduction of Saudi Arabian diplomats from the Paris embassy to Kuwait this month were both aimed at securing the guerrilla leader's release.

Freeing the guerrillas may make it easier for Syria to reopen full diplomatic relations with Jordan but it does not signify any change of attitude by Jordan towards the Palestinian guerrilla movement.

Widespread speculation in the Middle East that King Hussein has agreed in talks earlier this month in Cairo with Presidents Assad and Sadat to allow the limited return of guerrilla forces to Jordan under the command of Syrian and Saudi Arabian army units was dismissed to-day by Mr. Murwan Dudin, the Jordanian Information Minister. Mr. Dudin told the Financial Times that "with the present structure of the guerrilla command and their pre-conceived attitude, no return of guerrilla units to Jordan can be envisaged."

Mr. Dudin said that the only token force Jordan was prepared to accept was that of Palestine Liberation Army units with "the prior undertaking that such a force is under Jordanian command."

The PLA already has one unit stationed in Jordan under the command of the Jordanian army and Mr. Dudin said it was "premature" to talk of increasing the strength of this unit. The Syrian "saika" organisation lacked "Palestinian identity" to be acceptable to Jordan.

AMMAN, Sept. 18.

Mr. Dudin said Jordan had a preconceived concept of what resistance means. The Minister, himself a Palestinian from Beer-sheva, said that "resistance stems from the people under occupation and operates in the occupied lands." On the question of Arab military action outside the occupied territories, Mr. Dudin said that this should be "a pre-calculated effort, very well organised and must always be under the direct leadership of the country concerned as a basic rule of sovereignty."

The Minister stressed that military co-operation between Jordan and Syria was practical and effective. "Full co-operation and co-ordination in military matters is necessary strategically," he said. "For strategic defensive purposes Jordan and Syria are one land."

The Minister revealed that "even under the worst circumstances" of tension between Syria and Jordan in the last few years "there has never been a break in communication between the military institutions of the two countries."

The Minister stressed that Jordan's strategy was purely defensive and that a major contribution to the defence of Syria was Jordan, ensuring the sovereignty of its land and preventing any Israeli force from striking Syria through Jordanian territory. The Minister also said that "if there be need for our (active military) support to Syria for defensive purposes we will be ready to give it."

The Cairo mini-summit achieved more than was at first apparent. Mr. Dudin said that Syria and Egypt were now more prepared "than at any time since the 1967 war" to actively seek a solution to the Middle East crisis through peaceful means.

Reuters adds from Paris: The Palestine Liberation Organisation is planning to move most of its headquarters from Beirut to Tripoli, the Paris-based African magazine Jeune Afrique said to-day.

GM may build plant in Saudi Arabia

BEIRUT, Sept. 18.

GENERAL MOTORS Corporation has concluded an agreement for a \$40m car assembly plant in Saudi Arabia, the official Saudi News Agency reported.

The plant, GM's first in the Middle East, would have an annual output capacity of 5,000 cars in its first year of operation, the agency said. Local Saudi capital would have an unspecified percentage of capital of the venture, it added.

A similar contract was concluded earlier this year with Nissan Motor Company of Japan for another assembly plant.

The sites for the plants have not been determined yet, the agency said. It indicated, however, that the Red Sea port city of Jeddah is the most likely choice. GM is not on the list of companies boycotted by Arab nations and imported cars, notably Cadillacs, are already sold in the country.

Adrian Dicks in Washington writes: General Motors' overseas division in New York confirmed that a team of engineers and salesmen are currently in Saudi Arabia discussing the proposed assembly plant.

A spokesman said GM had not yet been advised by the Saudi

Government whether the proposal, first submitted a little more than a year ago, had been accepted. He also described the \$40m figure as "a little on the high side."

The company expects to announce full details shortly. GM already has sales and servicing operations in Iran and several other countries in the region. It is not yet clear what types of vehicles the plant would assemble, and this will not be decided until after the deal has been finalised.

Reuters reports that the Washington Post said to-day that France is trying to sell between 34 and 38 Mirage II-E long-range fighter-bombers to Saudi Arabia. In a dispatch from Paris, the newspaper said the proposed sale had raised speculation that the planes might be intended for transfer to Egypt.

It said the Saudi Arabian air force was generally considered to have its hand full in training pilots to use American interceptors jets, which gave rise to speculation on the transfer of the Mirages. France has imposed an embargo on arms sales to direct combatants in the Middle East since 1967. Saudi Arabia is not regarded as a front-line country in the confrontation with Israel.

'Africa behind in terms of aid'

BY TAMAR GOLAN

ABIDJAN, Sept. 18.

MR. ABDELWAHAB LABIDI, President of the African Development Fund, said "Africa has been the least favoured continent in terms of aid" here to-day at the opening of the first meeting of the Board of the African Development Fund.

The establishment of the fund, in which foreign countries are participating together with African Governments, was "an exemplary effort to create a new aid policy based on mutual consultation and participation."

Representatives from Canada, Japan, Norway, Switzerland and the U.K., which also represents

the Yugoslavs, are attending the one-day meeting.

Mr. Labidi said that although the non-African participants may have differing views about the priorities and forms of aid, if good will continues to prevail the outcome will benefit all sides concerned.

At the Fund's inaugural meeting held in Lusaka last July it was decided that it should begin operations on August 1, 1973. The present meeting is thus expected to approve its internal regulations and decide on the operational budget for the first year.

Whitlam takes firm stance on S. Africa

By Our Own Correspondent

CANBERRA, Sept. 18. MR. GOUGH WHITLAM, the Australian Prime Minister, appeared to-day to call into question Australia's future relations with both South Africa and Chile.

At a Press conference Mr. Whitlam said that an objective of Australian policy towards South Africa was to "bring down" the present Government. Though Mr. Whitlam was quick to stress that he was speaking in terms of economic action and not physical force he acknowledged that his Government's attitude constituted "interference with the government of another country."

But he said the South African Government was not representative of the people of South Africa just as the Rhodesian Government was not representative of the Rhodesian people.

Appropriate Mr. Whitlam said Australia was not considering unilateral economic action against South Africa beyond the measures already announced (the main one of which is cessation of official trade promotion) but would join in appropriate international efforts based on South Africa's "illegal occupation" of Namibia or the general policy of apartheid.

If all South Africa's trading partners got together they could "remove the Government and then could organise such concerted action on the basis of resolutions of the UN General Assembly or specialised UN agencies, he said.

Unilateral action, however, would be ineffective.

Mr. Whitlam said the Government had "not yet" decided whether it would recognise the new regime. This contrasts sharply with the traditional Australian attitude in such cases that the question of recognition does arise anew if an incoming regime establishes its authority actively. It also leads greater point to the recall of Australia's Ambassador in Santiago "for consultations."

Repatriation begins in South Asia

By Kevin Rafferty

OFFICIALS IN Pakistan said yesterday that the massive three nation exchange of soldiers, civil servants and civilians stranded on the Indian subcontinent would begin to-day. Altogether, more than 300,000 people will start to go home by train and air after more than 20 months of enforced exile in alien countries.

The exchange is part of the New Delhi Agreement hammered out last month between India and Pakistan. The stranded people are the 93,000 Pakistani soldiers and civilian prisoners of war held in camps in India since the December 1971 war which brought about the creation of Bangladesh; 160,000 Bengalis stranded in Pakistan; and Biharis or non-Bengalis in Bangladesh who wish to live in Pakistan.

In Rawalpindi, according to Reuters, the Pakistan Foreign Office director-general for South Asia, Mr. Abdus Sattar, said that chartered United Nations Boeing 747 aircraft would to-day begin ferrying between 500 and 1,000 people daily between the Bangladesh capital, Dacca, and Pakistan.

In New Delhi it was also announced yesterday that the first batch of 1,680 Pakistani prisoners of war would be sent home on September 28 and 29. Pakistan has said that it can take 2,000 returning prisoners a day across the border at Wagah. The POWs will be taken to reception camps where they will be given medical checks before being sent on leave for two months.

Major doubts still concern the repatriation of non-Bengalis in Bangladesh. Estimates of their number range from 500,000 upwards and Bangladesh has said that 260,000 of them want to go to Pakistan. But according to the implications of the New Delhi Agreement only about 80,000 or so will initially be accepted by Pakistan. Mr. Sattar said that published estimates that Pakistan would accept 180,000 were "too high."

Most of the non-Bengalis are cramped into refugee camps and find it difficult to get any kind of work. When I was in Dacca a month ago several camp leaders said that "either we all go to Pakistan or none of us will go." The governments of the three countries have not published their criteria for the priority among the non-Bengalis, and there might still be trouble when the first bunch are taken from the camps to go to Pakistan.

INDIAN DOUBTS ON REFINERIES

By K. K. Sharma

NEW DELHI, Sept. 18. INDIA'S Ministry of Petroleum and Chemicals is having second thoughts on proposals to nationalise the three foreign oil companies with refineries in India — Burmah Shell, Esso and Caltex according to informed sources. The main consideration is the tight crude oil supply position in world markets and the difficulty India is facing in arranging imports on the basis of government-to-government agreements.

The refineries have a total capacity of 7.4m. metric tons annually.

Japan and EEC 'agree on balanced export growth'

BY PETER DUMINY

TOKYO, Sept. 18.

JAPANESE MINISTERS had that talks exploring the possibility of a formal trade agreement between the EEC and Japan, to supersede Japan's existing agreements with individual member countries, had been abandoned some time ago. They weren't pushed to conclusion.

In a reference to the new Nixon round of trade negotiations, he said it was thought that "matters which might have been resolved by laterally" (specifically "no doubt balance" in this connection, safeguard clauses to which Japan European exporters had a reasonable possibility to be shifted into the field of multilateral negotiations).

One was that overall trade might get "wildly out of balance." In this connection, European exporters had a reasonable possibility to be shifted into the field of multilateral negotiations. The other risk, mutually recognised, was that Japan's export effort would be too concentrated — on particular countries within EEC, on particular products, or both.

Sir Christopher did not say what the Japanese proposed to do about it. But he had found them profoundly anxious not to repeat their experience with the U.S. of a massive trade imbalance, and in agreement with the concept of broadly based export growth. On tariffs, Sir Christopher said.

Tokyo investors buy more foreign shares

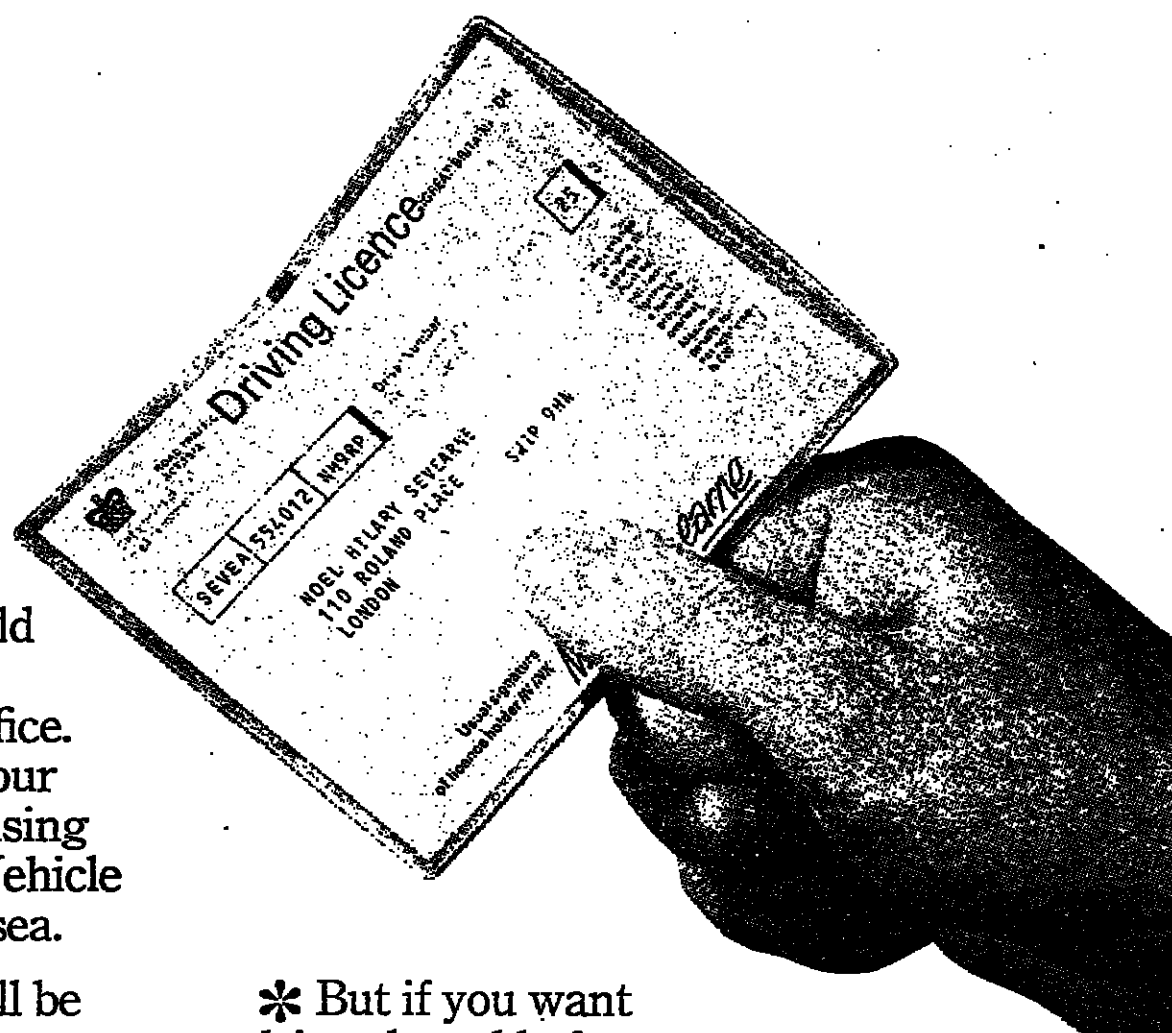
BY CHARLES SMITH

TOKYO, Sept. 18.

JAPANESE INVESTMENT in foreign securities, which was banned until just over two years ago, has recently begun to pick up sharply.

According to a report by the Nomura Research Institute, an affiliate of the largest Japanese security house, the value of foreign shares acquired by "ordinary investors" reached ¥11,000m. (£17m.) in June and continued throughout the rest of the month. The net 1971 and 1972 as the increases in share purchases for these two months (allowing for foreign shares sold by Japanese investors) came to ¥14,000m. This was only ¥2,000m. less than the net increase in overseas shareholdings by Japanese revaluation.

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* But if you want to drive abroad before your new licence has arrived you will need to take an International Driving Permit with you.

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You can get an application form from a Local Taxation Office or Post Office.

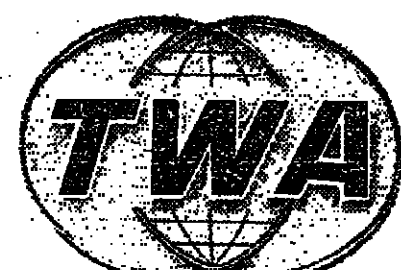
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Re-assessment of facilities by Lyon *A boost for Altrincham and N. W.*

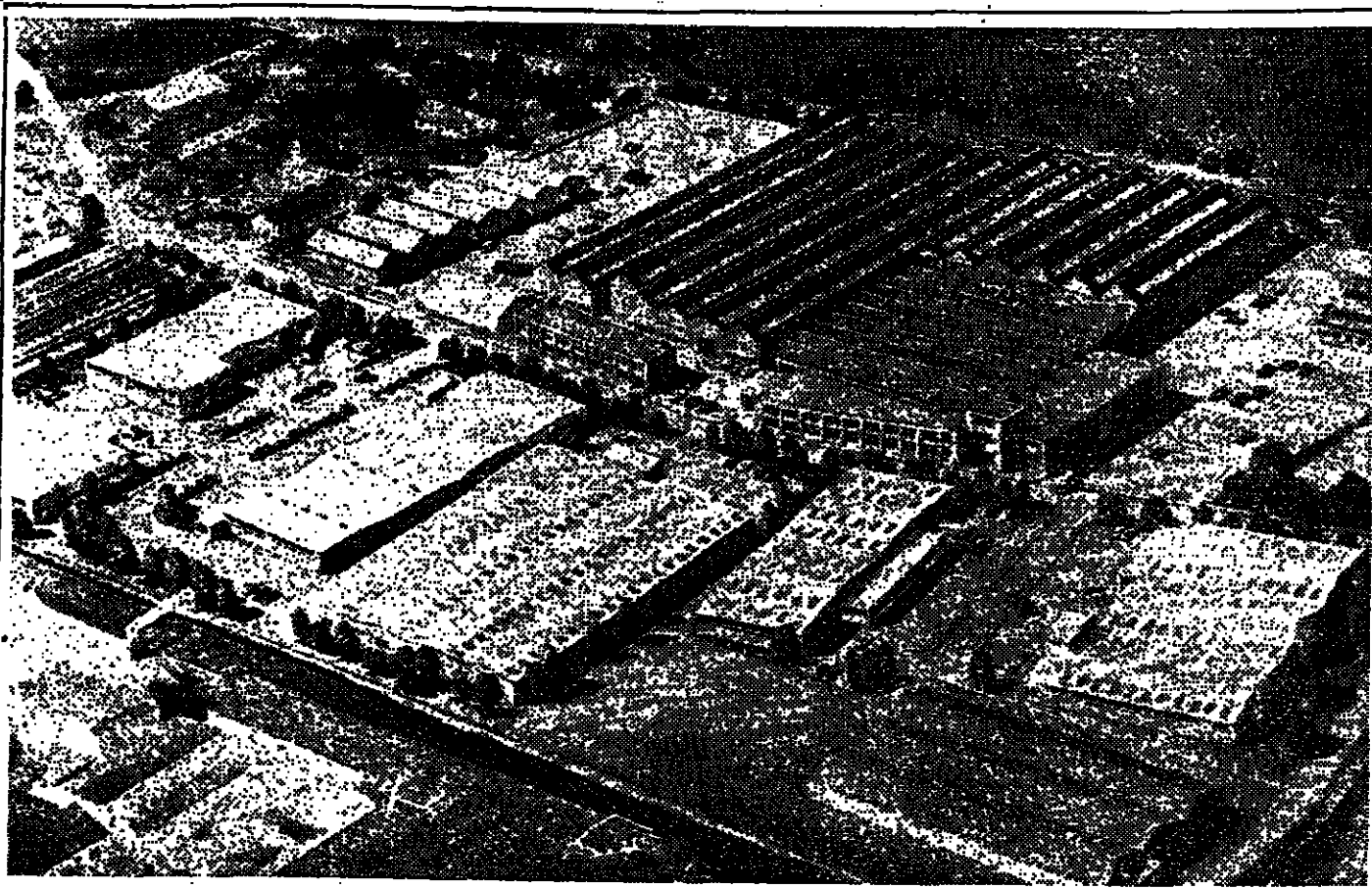
A boost for Altrincham and N. W.

As with most industrial estates completed by this Group, location of the site is given first consideration when drawing up a development programme. Their philosophy is based, in relation to the North West, on the premise that the area possesses some of the most accessible natural and man-made communications facilities in the country.

The question then becomes: in a prime location, what exists already? And in many cases the answer reveals evidence of similarly trodden pathways. Superb, solidly-built factories and workshops reminiscent of

the enormously prosperous days of the textile and engineering cliffrhys. The Lyon Altrincham Estate, situated on a highly concentrated strip of South Lancashire renowned as the largest heavy industrial producing area in the world, offered just such an example. A sound structural shell ripe for modernisation and sub-division, together with enough expansion land to construct new units and thus create an industrial estate proper. In cases where existing premises are not available for re-development, new estates are built and landscaped from scratch, such as those recently opened by Lyon in Kearsley and Hull.

Artist's impression of the Lyon Altrincham Estate. 310,000 sq. ft. of fully equipped and serviced factory/warehouse accommodation is available on the site, offering excellent craneage facilities throughout. The Estate also boasts first class roadways, with extensive vehicle parking areas.



Certain incoming firms to the Altrincham Industrial Estate may find themselves eligible for receipt of Government Grants. As is commonly known, these assist with a number of grass roots expenditures, such as the acquisition of premises. What can be something of a neurosis-inducing double-edged sword is necessary in the dialogue with the appropriate government authority. Lyon anticipates offer all incoming tenants and owners the facilities of a group of staff well versed in confronting bureaucracy in order to ensure the minimum delay in getting hold of the actual cash.

A striking feature which emerges from a study of Lyon tenants and owners is their diversity, both in terms of size and product service. This is attributed to a flexibility in the way the company can accommodate virtually any requirement or specification demanded by a potential client. The Altrincham Estate manifests this flexibility well. Covered by the main A66, the 210,000 sq. ft. of factory space is offered in units from 3,467 sq. ft. upwards with the option of further units available for modification to suit individual needs.

This is a standard feature of Lyon developments, having been met with no small degree of enthusiasm from industrialists often in a position of having to consider wasting valuable space or working in cramped conditions.

Since Tring first came across Altrincham, a collection of fields far removed from the present-day commercial complex, the town has continually presented to the outsider a dichotomy.

Under the aristocratic scepter of numerous peers of the Stafford family, one of whom still remains as influential as ever today, this area of South Manchester grew up as a predominantly residential town with its fair share of wealthy landowners.

Cheshire took hold. At the onset of the industrial revolution, the industries springing up and the town's reputation as an engineering industrial centre emerged. Its proximity to the great industrial giants in and around Trafford Park was reflected in its rapid growth. Manufacturers moved in, good quality shops found business even if as laxative as Manchester city centre, whilst along the canal parkland grew up an area around north Altrincham vastly different in appearance.

Rows of terraced houses for the workers. Corner shops at the hub of Corporation Street communities.

Today Altrincham lies at the centre of a rapidly expanding industrial conurbation. It begins inevitably with Trafford Park and has embraced Wethersfield, Sharston and the surrounding recent areas.

M.C.I. Geig and Sons, the famous typewriter makers, is one of the many industries which have recently estab-

lished themselves in the area. Undeniably possessing the relaxed air of most wealthy Cheshire towns such as Knutsford and Wilmslow, Altrincham appears to be suspended between two divergent yet apparently compatible attitudes. The aggressive, expansionist-minded industrialist, anxious to continue developing the area, and the reserved, more civilised Cheshire residents concerned with retaining the district's dignity and charm. Compatibility seems to be achieved by geography. To the north and west lie the major industrial areas, whereas to the south can be found the very beautiful Downs and subsequently Bowdon, bastions of residential respectability. As if to confirm Altrincham's historical and present day involvement in the growth and wealth of industrial South Manchester, Altrincham will, in fact, be incorporated in the Manchester area proper under re-organisation of its boundaries due to take effect in April of this year. Given the progress of facilities being utilized by people such as Lyon, Altrincham presents, to new eyes, an area rich in economic potential, yet relieved by an extremely attractive rural surround possessing some of the most tasteful residential property, both old and new, to be found anywhere in Britain.

There was a time when images of grimy, slag-strewn industrial landscapes was to some degree representative of the North West industrial environment. But as with Victorian and now Art Deco furniture, the best of 'thirties' art is now underpinned by a new awareness from preservationists interested in its historical value, notably the finer mills around the Manchester conurbation. The most grotesque examples of the industrial and post-war revolution have disappeared. The slag mounds and the black plumes of smoke have evaporated. Certainly the overall impression is one of far brighter,

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try in Almirantazgo has long been in Broadbeach, due to the area's excellent accessibility. The diversity of manufacturing activities here seems to have stayed a particularly stable mix, more easily maintained in an area where single industry activities are not usually plentiful enough, therefore, it was here Lyon sought, found and took his impressive premises for his work on ship design, construction and development.

On either side of Almirantazgo, the main service road for the Broadbeach industry, the Lyon Broadbeach Estate spreads over 22 acres, 11½ acres on the north side, 10½ on the south. The spacious existing premises on the north side house around 36,000 sq. ft. of comprehensively equipped accommodation with many sections offering good crane facilities.

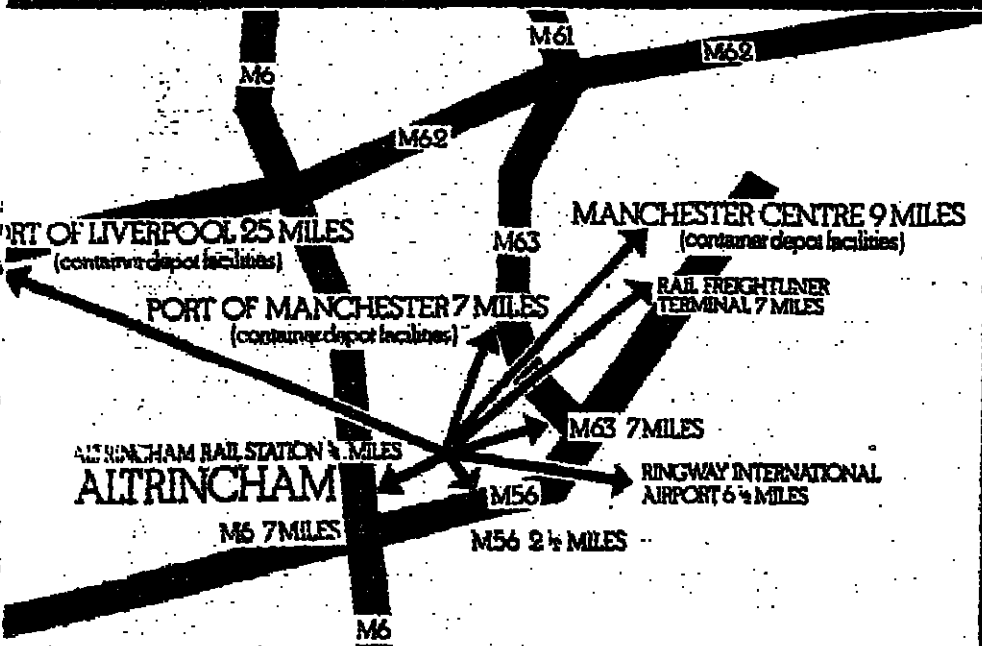
The Heavy-Machine Shop and Fitting Shop for example has 13 bays in which cranes ranging from 5 ton to 20 ton, while a number of 1.2 and 5 ton cranes are housed in the warehouse buildings. The premises are also equipped with 20 lift cranes.

each with 12 ft. arm length and 10 cwt. lifting capacity. It's worth noting that the maximum headroom is 25 ft. 9,762 sq. ft. of single storey, tile roofed ancillary office accommodation is also provided, together with Works and Drawing Offices. Lyon are also concerned that the facilities outside the actual factory-warehouse premises should match those inside, and to this end are in the process of laying new vehicle parking areas, improving others, while at the same time ensuring there is ample turning space wherever necessary.



An interior view of the comprehensively equipped factory warehouse premises at Altrincham, showing the impressive craneage network. Maximum headroom is 25 ft. These vast interiors can, of course, be split up into smaller units.

Ready made-Ready now
with ready access too



Lyons

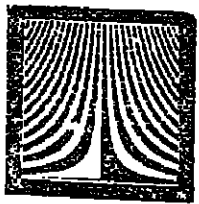
Northern

The Men behind Lynn Attricham,
... whose responsibility is to provide assistance for industrialists interested
in expansion in the area. All with considerable experience in property
development, they are: Michael J. O'Leary (second left), Managing
Director of Lynn Group (Northern) Ltd., Malcolm Bee (far left), Archi-
tect, John Slater (far right), Estates Manager, and Peter Cunliffe
(second right), North West Regional Manager.

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The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● POLLUTION

Disposal of toxic waste

PLANS FOR setting up a national toxic waste disposal service have been announced by Re-Chem International.

Within the next two years the company aims to set up waste treatment centres in five key areas. Two plants are already under construction, one at Pontypool, South Wales and the other in Bounybridge, Scotland.

About 25m. is to be invested in the project which, in its first stage, is to cover South Wales and south-west England, the Midlands, southern counties, north-west England and Scotland. A second stage for the second stage is total coverage throughout England and Scotland.

The first of the plants planned to come into operation will be that at Pontypool which will cost nearly £750,000 and will be equipped initially to deal with 50,000 tons of toxic liquid and solid waste annually. This will be made harmless by either chemical treatment or total

destruction. Wherever possible materials will be recovered for further use.

All wastes will be analysed in the company's laboratories to discover whether there is any prospect of recovery and they will then be processed accordingly. Organic waste will be incinerated and this category includes solvents, various oils, thinners and lacquers.

The basic design of the plant provides for the incineration of liquids and sludges, solids, general refuse and drummed materials in four different chambers with all gases passing to an after-burner. The gases are then washed in a spray chamber prior to discharge.

A second function of the plant is the treatment of incombustible inorganic wastes such as acids, alkalis, metal and cyanide-bearing wastes from metal processing operations. These are subject to wet chemical

Clarified water from the processes is discharged to sewer, complying with standards laid down by local authorities. Residues are filter pressed and tipped as landfill.

A further service to be offered is on-site treatment. Each depot will be able to supply a consultancy, design, procurement, installation and commissioning facility when it is easier for the treatment plant to be on the premises than to transport the waste to a central regional processing plant.

Re-Chem International is a subsidiary of Reclamation and Disposal, part of the British Electric Traction Group. The company, which is based at Botley Road, Hedge End, Southampton, has had a pilot plant near Southampton for some years and for its future operations will use special vehicles supplied by associated companies within the Group.

● COMPUTING

ICL could take over in Wales

A CONFERENCE was held yesterday at the University College of South Wales, Cardiff, to launch the final report of the LAMSAC/National Computing Centre study group into local government computer development in Wales.

The report recommends that instead of the unco-ordinated development of computer installations as has occurred in the past, four data processing centres to serve Welsh local authorities should be developed

from the 16 computers currently operating. These centres would be the most efficient arrangement and the most economical means of providing data processing facilities for all Welsh local authorities, avoiding duplication of resources and making the best use of scarce specialist staff.

In view of the very large arrays required and the problems of transition which would be involved, the report finds that it would be unsuitable to advocate a single immense computer installation for all Welsh local authorities. It was thought unnecessary that the four final centres should have identical configurations, but it is recommended that the configuration of each centre should be chosen to meet the individual requirements of its own area which would be revealed in a detailed feasibility study. Each centre should be owned and controlled by a joint committee of members of constituent authorities and managed by an executive committee of local government officers with delegated powers.

Of the 16 computer installations, 13 have been supplied by International Computers and only three by ICL, while other companies manufacturing or importing into Britain are not represented at all. There is a certain amount of peripheral equipment by names which are becoming well known in the field, but this does not really detract from the main argument.

It would appear that, at the best for ICL, IBM could expect a contract for one big 165 or 168, manufactured in the U.K. This would take over from the three smaller machines if they happened to be in one of the four concentration areas.

ICL, however, could make a very good economic case, particularly if the IBM machines were isolated, to compute for the whole of the Principality, bearing in mind that at least one of the New Range machines is supposed to be fully compatible with both IBM 360 and 370. At issue is a contract worth perhaps as much as £4m. to £5m.

● METALWORKING

Longer life for cutting tools

IN ONE of its first reported field applications, a new indexable polycrystalline diamond cutting tool is effecting a gain in tool

life of 200 to 1 on tough, abrasive fused silica, with a reduction in work stoppages for tool changes from two a day to about once a week.

On a first run on rebonded fused silica tubes at Flo-Con Systems, Inc., Fisher, Ill., with a Megadiamond disc tool insert, 33 silica tubes were turned without wearing out even its first cutting edge (each disc has 20 of them). By contrast, carbide inserts used previously for this operation had a life of two or three tubes. Megadiamond Industries, producers of the material, operate from 539 Fifth Avenue, New York.

Further data on tool life for the diamond material will be accumulated as more tubes are turned, but indications are that the Megadiamond, once all 20 cutting edges are expanded, will outlast carbides by some 200 to 1. Flo-Con says its experts get better than 40 parts per edge with Megadiamond in future runs.

Moulding diamond powder to desired shapes and then sintering them under extreme pressure at high temperatures to form a cohesive solid with the properties of carbonado produces megadiamond. Indesible inserts are available in discs, squares and triangles.

Success of the Megadiamond inserts in machining the fused silica at Flo-Con may remove some restrictions on the wide use of this and other superhard refractory ceramics for applications where the necessary machining economies have been impossible to achieve.

When advances in continuous steel casting demanded new kind of valves to monitor the flow of molten steel, Flo-Con produced a sequential tundish slide-gate valve.

A critical part of this new tundish valve, now used by steel producers in continuous casting in the U. and elsewhere, is the submerged pour tube. The tube must withstand enormous thermal shock and the continuous flow of molten metal in the 1600C range.

This tube is now made from rebonded fused silica (fused silica that has been crushed, sintered, and fused again). It is formed to required shapes and sizes by a process called "hot-chamber" casting. The usual slide gate nozzle can about 300 tons of steel without changing, as many as 1,500 to have been regularly cast through a single Flo-Con valve in continuous casting up to 15 hours continuously. What is more, with high-speed hydraulic system, the pour tube in the Flo-Con tundish valve can be replaced by a sh off gate in one-half second a new tube quickly installed.

DOWTY

Hydrostatic transmissions, industrial hydraulic pumps, motors and valves



DOWTY HYDRAULIC UNITS, Cheltenham, England

A study of sea water

THE INSTITUTE for Marine Environmental Research at Plymouth is to use a new organic analyser developed by Applied Research Laboratories of Wingate Road, Luton, for an extensive programme of research into both natural and pollutant constituents of sea water round the coast of Britain.

The MPD 850 applies the technique of optical emission spectroscopy to the analysis of gas chromatograph eluates which are passed through a microwave-excited helium plasma. It provides a reliable unit which can be used either to detect the specific elements in an organic compound or for determining the empirical formula of the compound.

The Marine Environmental Research Institute will use the instrument for a variety of tasks which will include checking the extent of contamination of sea water by pesticides and monitoring the levels of phosphorus, nitrogen and sulphur in samples of sea water.

Sussex University has also ordered an 850 for the School of Molecular Sciences where it will be used to identify materials synthesised by research workers at the University and by post graduate students in environmental research. This instrument will have facilities for the analysis of carbon, hydrogen,

deuterium, nitrogen, oxygen, phosphorus, sulphur, chlorine, fluorine, bromine, mercury, lead and sodium.

Reclaiming a disused quarry

A SCHEME for reclaiming 15 acres of a disused sand and gravel quarry by converting household refuse into compostable material was officially opened this week in Scotland.

The processing plant is sited next to the quarry at Easter Langley, near Galashiels, and will handle refuse from five local authorities in south-east Scotland. The heart of the process is the Vickers Seedrum wet rotation pulveriser which separates hard or metal objects from materials that can be broken down and discharged in an innoxious form resembling leaf mould.

By building up the level of the land in layers—alternating between a layer of hard material and a layer of the organic matter—the quarry will be reclaimed for agricultural use over a period of years.

The five authorities involved in this scheme are: Roxburgh County Council (which built and is operating the plant), Selkirk County Council and the Burghs of Galashiels, Melrose, and Selkirk.

Packaged sewage system

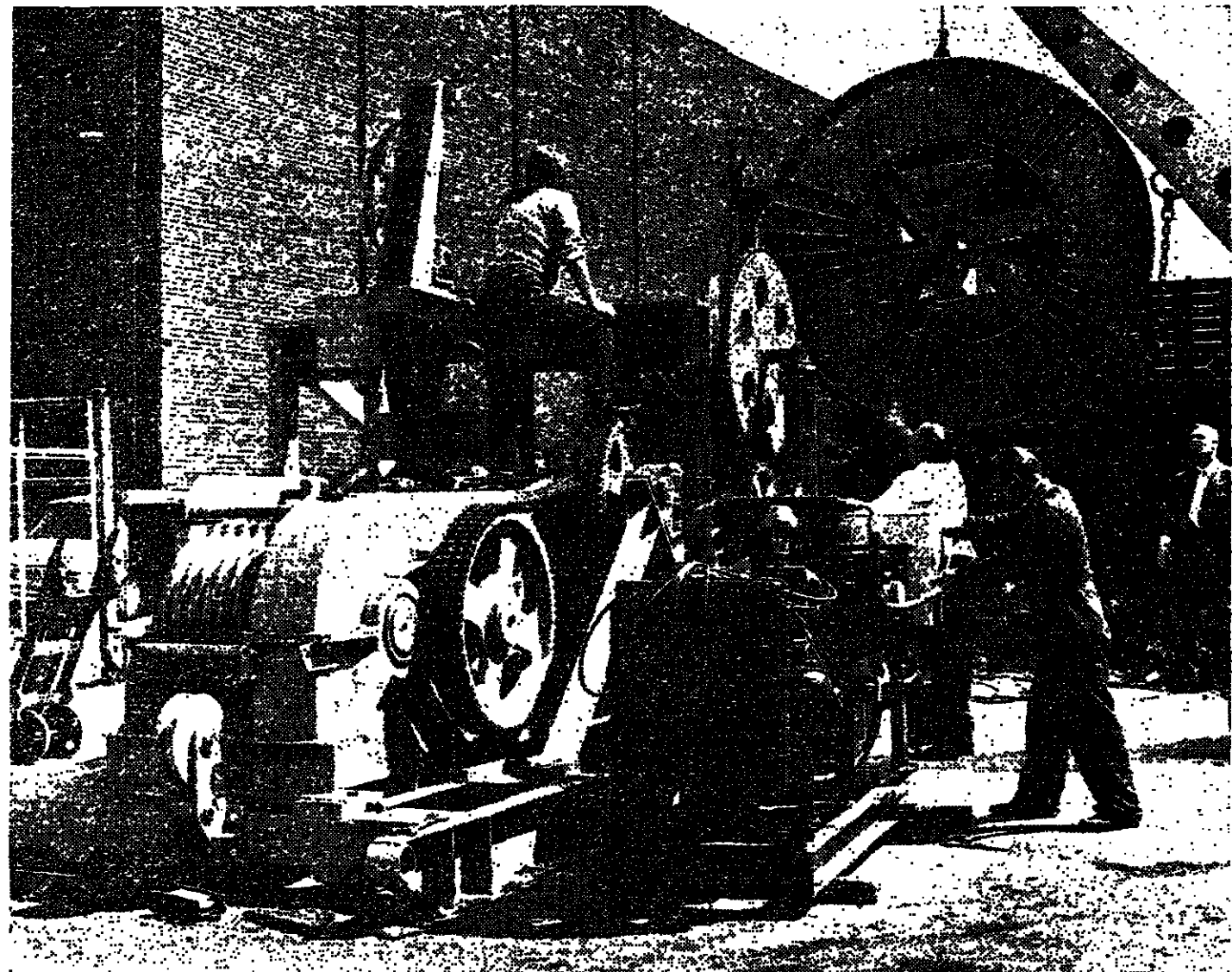
MONO PUMPS (Engineering), a member company of the Mono Group, has established a U.K. network of agents for the supply and installation of a small, packaged sewage pumping system known as the Mini Mutorator.

It is designed to handle domestic sewage from residential or other types of property situated in rural areas remote from a main sewer where the use of either septic tanks or cesspits is becoming less acceptable because of anti-pollution measures.

The Mini Mutorator can handle up to 64 litres (14 gallons) per minute and operates as a fully automatic miniature system incorporating solids macerator and positive displacement pumping.

It consists of a robust fibre glass tank with a steel top in which the combined macerating device and pump element is located together with the necessary automatic high and low level sensing probes.

Further information can be obtained from: Mono Pumps (Engineering), Mono House, Solihull, Street, Clerkenwell Green, London EC1R 0RE.



Wharton Engineering of Elstree, Bucks, has constructed this 20-ton twin capstan winch for Kier which will use it for cable recovery work at Littlehampton, Sussex. Multi-spiral hose

assemblies designed to cope with very high working pressures and arduous conditions where frequent pulsing occurs were supplied for this plant by Hi-Flex International of Salisbury, Wilts.

● AUTOMATION

Senses the level by capacitance

THE SERIES TLC 5 of capacitance operated level controls is now available from Thorn Automation of Rugby, Staffs WS15 1DR. It is designed for single and multipoint level control of most liquids and free-flowing solids in bunkers, hoppers and similar containers.

There are three control units: one double level unit suitable for both single and double level applications, a double level unit with interlocking relay and triple level unit.

A feature of the range is the

transistorised printed circuit oscillator unit housed in the probe head. A single manual control knob forming part of the printed circuit oscillator unit sets the operating capacitance, and once set when the unit is installed requires no further adjustment.

Constructed of cast light alloy, the probe head is sealed against ingress of dust and moisture. It is suitable for operation in ambient temperatures up to 50 deg. C. Extension pieces are available for use with vessels containing hot materials. Operation on a change in capacitance of 0.5 pf is possible. Other probes for special applications are available.

Input is 110/220V and 240V, 50/60Hz single phase. Output relays each directly associated with one of the head units having 1 N/O and 1 N/C contact are rated at 2A 250V ac non-inductive load.

● PLASTICS

Expanded extrusions

AFTER TRIALS at its Nether Heage, Derby, plant LB Plastics is to start production of expanded pvc extrusions.

The company says it is employing a special polymer incorporating a blowing agent and using advanced technological know-how in thermoplastics. Extrusions produced have a cellular structure giving characteristics similar to those of wood. They can be screwed or nailed and there is a smooth outer skin which requires no additional finishing.

By developing its own techniques and modifications to the process, LB (Plastics) says it has been able to establish extremely tight control over both profile shapes and the critical outer surface finish.

The expanded pvc products are to be marketed under the trade name Sheerocel.

● COMMUNICATIONS

U.K. ideas on improved undersea links

THE ROYAL Navy and the United States Navy respectively are to benefit from two developments in undersea communications announced by GEC-Marconi Electronics.

Sea trials have been completed on a new ship-to-submarine underwater telephone system being developed by Marconi Communication Systems to give the RN better transmission quality at longer ranges. The equipment will eventually replace the present underwater telephones in use in all RN ships and submarines.

Improvements in the range and intelligibility of ship-to-submarine telephone communications have become proportionately more important as the operation of multinational NATO navies in multinational exercises has increased in fact, the Marconi equipment conforms in all respects to NATO standards and all its component parts are NATO approved.

The equipment, developed

under a Ministry of Defence contract, is based on a building block principle for maximum installation flexibility. It consists of four basic electrical versions ranging from a simple low-power transmitter/receiver system with a single transducer, to a high-power system with directional capability and several transducers.

Liaison with the Admiralty Underwater Weapons Establishment, which has experience of previous equipments, has produced a system able to withstand the most extreme environmental conditions.

The system, which works by modulating audio (the method is not revealed) on to an ultrasonic carrier is required to be compatible with all existing transducers on the standard NATO carrier frequency. The transmitter works in the single sideband suppressed carrier mode.

No further information has been officially released but it is

likely that the system incorporates doppler compensation for the movement of the ships and it is probable that the receivers can lock on to a transmission for DF bearing purposes.

The other announcement this week is that the U.S. Navy is buying systems from Marconi Space and Defence Systems capable of overcoming the "Donald Duck" effect upon a diver's speech while he is breathing the necessary mixture of oxygen and helium. The order is worth £25,000 with spares and is for systems already developed for the Royal Navy from Admiralty Research Laboratories designs.

The "Donald Duck" effect results from divers having to breathe an oxygen-helium mixture in depths of greater than 600 feet, where air cannot be used safely. The mixture, being much less dense than air, produces changes in the speed of sound, and therefore in the pitch of a speaker's voice. This rises to an

extent where it becomes completely unintelligible to the listener. In emergency situations, the lack of effective communications can mean life or death to the diver.

The Marconi system, designated the Type 023, was developed from ARL designs started in late 1968. It has already seen service in the Admiralty Experimental Diving Unit and the Royal Naval Physiological Laboratory, and is currently being evaluated, with favourable results, in a series of medical research dives of up to 1,000 feet by the Smithsonian and the burgeoning home extension market.

● HEATING

Chimney-less gas fire

PROVIDED THAT they have outside wall, rooms without chimneys can now be equipped with a gas room heater produced both radiant and convected. The heater is a room-seal balanced flue type called Uni-Heat developed by Valor Heat with the backing of British Gas in whose showrooms it will be marketed starting in October.

Because it is sealed—a glass panel encloses the burners—efficiency of nearly 70 per cent, claimed as opposed to about 40 per cent for conventional fires. A short five-inch diameter flue connects the appliance through the wall to the outside through which new air is drawn at the same time that the products of combustion are expelled. Maximum heat output is 10 kilowatts, reducible to 1 kW by rotary control.

The pilot flame, which has been burning before gas can reach the main burner, is lit by piezoelectric device.

The Uni-gas appliance retails for £265.50 including VAT and is installed cost approaches £2, depending on location and circumstances. Valor claims to be the world's first company market such an appliance and will be examining areas such as new chimneyless houses and the burgeoning home extension market.

By agreement between the Financial Times and the BSI, information from The Technical Page is available for use by the Corporation's External Service as source material for its overseas broadcasts.

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DÜSSELDORF
SEPTEMBER 16 TO 22, 1973

CONFERENCE
ON WELDING TECHNOLOGY
GERMAN WELDING ASSOC. DVS
ESSEN
SEPTEMBER 19 TO 21, 1973



INFORMATION:

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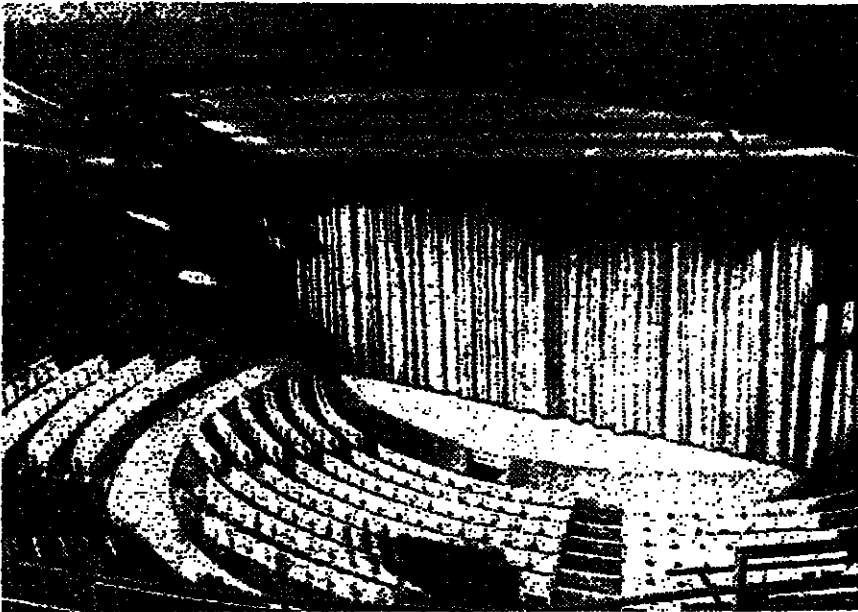
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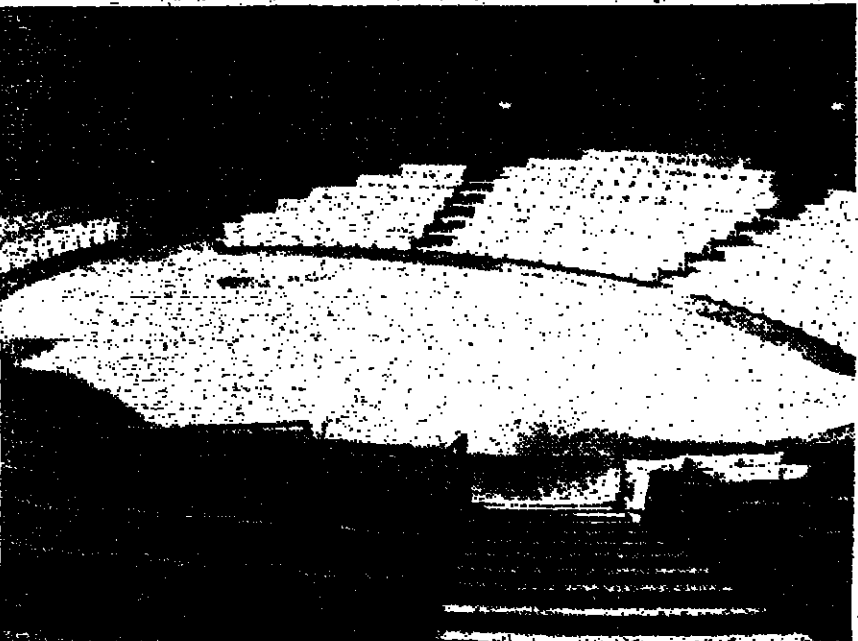
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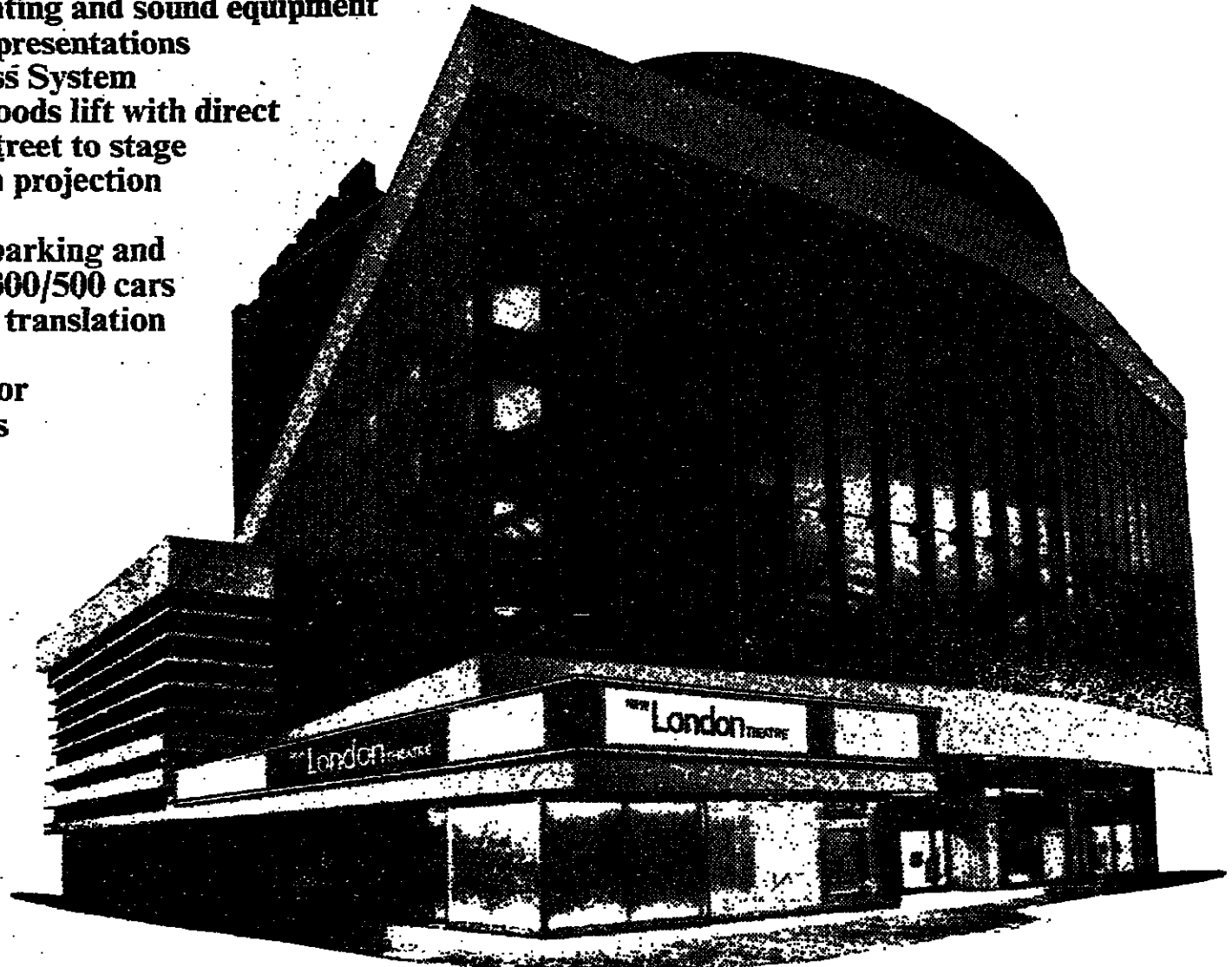
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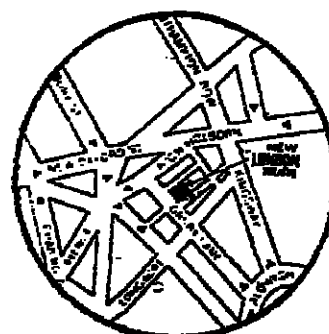
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Inflation accounting plans to go ahead in advance of inquiry

BY MICHAEL BLANDEN

THE ACCOUNTING profession is to press ahead with its controversial plans for inflation accounting without waiting for the results of the Government's special committee of inquiry into the subject.

The decision reflects the feeling of urgency among accountants over the need to bring some form of inflation adjustment into accounting practice.

The move also involves a degree of compromise. The Accounting Standards Steering Committee (ASSC), backed by the major accounting bodies, is not to introduce a full statement of standard accounting practice, which members of the profession would be obliged to follow.

Instead, a working party is being set up to produce a "draft or provisional standard" on inflation accounting. This will take into account any views expressed by the council of the Confederation of British Industry at its meeting to-day, when it is expected to consider the final recommendations of the committee on the subject under Sir

David Barran. Its implementation will be subject to the approval of the councils of the accounting bodies in the ASSC.

The draft standard will also be subject to modification if the Government's inquiry "produces any new evidence or concepts not already considered by the ASSC or the CBI."

The move followed a plenary meeting of the ASSC yesterday, with representatives of the CBI, the Stock Exchange, the Bank of England, the Department of Trade and Industry and the Inland Revenue.

A statement afterwards said: "It was noted that the DTI had announced its intention to set up an independent inquiry into the subject of inflation accounting, but it was considered that the subject was too important and urgent to be put into suspense until the results of the Government inquiry are known."

The ASSC published its exposure draft on inflation accounting (EDS) in January this year. This proposed that the final recommendations of the committee on the subject under Sir

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He was assured, however, that the inquiry did not signify a change of policy, and that there was no reason for concern on this issue.

It is clear that the ASSC is impatient to put into effect its proposals which have already been agreed by the CBI in its interim report last February. The draft standard, which it is hoped will be out some time this winter, is expected to be regarded as a strong recommendation with considerable persuasive force, which a large number of companies should adopt.

It will retain the general principles set out in EDS, based on the concept of adjusting historical cost figures by a general price index.

It is expected, however, to consider in rather more depth alternative methods, particularly replacement cost accounting, which has a strong body of support. It will also include changes in detail following the substantial amount of comment which the original draft attracted.

Importers favour wage flexibility

By Our Industrial Correspondent

THE BRITISH Importers Confederation has told the Ministry of Agriculture, Fisheries and Food that it is in favour of a more flexible approach to pay in Phase Three of the Government's counter-inflation policy.

In a memorandum to the Ministry released yesterday the confederation says there has been a general loss of efficiency because of employees changing their jobs to beat the present £1 plus 4 per cent wage norm restriction.

It says small companies would particularly welcome a "more generous attitude to wages and salaries with more flexibility allowed in payments."

The confederation also says it hopes the amount of paperwork associated with the Phase Two controls can be reduced in the next stage of Government policy. On profits, the confederation suggests the apportionment allowance should be given to the maintenance of a reasonable yield on capital employed. This should take into account rising interest rates and the margin which should enable companies to provide for future capital expenditure.

More working capital will be needed in relation to sales, it thinks, because of increased import prices and the effect next year of the application of the year of the Common Market external tariff.

The confederation also argues that some provision should be made for the effect of inflation, particularly as its effects depreciation, in the application of profit margins.

There should be less delay in the authorisation of price increases resulting from currency fluctuations, it maintains.

Finally, the confederation would like to see rigid control of City rents, a more aggressive attempt by the Government to stop producers taking advantage of world shortages, and price increases delayed until the advantages of forward buying have been absorbed.

North American tie-up for Robson Rhodes

By Michael Blanden

AN INTERNATIONAL association announced to-day brings the U.K. accounting firm of Robson Rhodes together with leading firms in the U.S. and Canada.

The other principals in the association, known as Lasser, Robson Rhodes and Dunwoody, are J. K. Lasser and Co., of New York and 29 other American cities, and Dunwoody and Co., with offices in 14 Canadian cities.

The agreement follows the recent decision by U.K. accountants Harwood Banner to merge with Deloitte—with whom Robson Rhodes has also had connections, including a joint office in Manchester.

As a result, Harwood Banner had to pull out of its association with Lasser and Dunwoody, leaving a gap which Robson Rhodes is filling.

Robson Rhodes will continue its U.K. practice under that name.

The firm was founded in London in 1927 by Mr. Lawrence Robson, the present senior partner. It also has offices in Leeds, Bradford, Dewsbury and Birmingham.



Sir Michael Clapham (left), president of the CBI with Mr. Campbell Adamson, director general, arriving at No. 10 Downing Street yesterday for the talks on Phase Three of the Government's counter-inflation policy.

Aluminium production up on last year

BY KEN GOFTON

PRODUCTION of aluminium in particularly depressed in the early months of last year. The three most important production areas are North America, Europe and Japan, according to the series published yesterday by the recently formed International Aluminium Institute.

For 1972 as a whole, the figure was 9.1m. tonnes. The figures suggest that world stocks have been run down. No output outside the Communist bloc has been running at about 9 per cent. above last year's level, but this is a very crude comparison. It makes no allowance for the fact that output was down last year.

Area	THOUSANDS OF METRIC TONS						
	1 Africa	2 Northern America	3 Latin America	4 East Asia	5 South Asia	6 Europe	7 Oceania
YEAR 1972	232	4,647	208	1,957	256	2,438	293
JAN. 1973	29	419	19	96	24	231	27
FEB. 1973	18	391	17	89	22	206	24
MAR. 1973	18	434	17	99	24	232	26
APR. 1973	18	416	18	96	23	225	27
MAY 1973	20	428	19	100	23	231	28
JUN. 1973	21	417	19	97	23	227	28
JUL. 1973	22	425	19	99	23	231	28

From: Statistical Office International Primary Aluminium Institute New Zealand House Haymarket London SW1Y 4TQ England

British Leyland names deputy for production divisions

BY PETER CARTWRIGHT, MIDLANDS CORRESPONDENT

MORE TOP-LEVEL appointments to all out British to the Austin Morris complex at Cowley, Oxford, he had the task of launching the Marina, Leyland's first new car after the merger with the British Motor Corporation.

His responsibilities include Austin Morris, Jaguar, Triumph, Rover and MG, as well as the truck and bus division. Mr. George King, 44, director of manufacturing at the truck and bus division, which has its headquarters at Leyland, Lancs., becomes director of manufacturing controls. The appointment covers the implementation of corporate policies related to the supply of materials, including both the scheduling of production and parts procurement, and provision of materials to meet new products and product changes.

The control of raw materials and of traffic and transportation services are also brought under Mr. Tilston's management. Mr. Tilston, managing director for the Austin Morris body and assembly division, becomes the new director of manufacturing plans. He will be responsible for the forward manufacturing policies and investment strategy for all British Leyland production divisions at home and abroad.

Formerly manufacturing director with Chrysler at Coventry, he was mainly responsible for

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End private practice in NHS, says Labour paper

BY PHILIP RAWSTORNE

ACTION to discourage and rich man's whim" but eventually phase out private practice within the National Health Service is recommended in a Labour Party "Green Paper" published yesterday.

Employers' tax relief on group health insurance schemes should be ended and the full economic rental charged for beds in NHS hospitals, says the report.

Queue-jumping by paying patients should be stopped and new consultancy appointments made full-time to prevent their holders from working outside the health service.

The report, compiled by a working party under Dr. John Dunwoody, former junior health minister, is less vehement in its opposition to private practice than many party resolutions tabled for the Labour conference next month.

Improvement

In the long term the future of private practice will depend on the standard of service in the NHS, it says. Improvements would cut demand for private treatment until it became "a 20p."

Research finance 'problems ahead'

BY DAVID FISHLOCK, SCIENCE EDITOR

THE POSSIBILITY that, in the mid-1970s, real difficulties will arise in the Government's new requirements for the funding of its research programme is raised in the annual report of the Natural Environment Research Council, published yesterday.

Under the Government's new requirements, based on the Rothschild recommendations, 27 per cent. of the council's budget must come from the three customer departments.

The Department of Trade and Industry, the Department of the Environment, and the Ministry of Agriculture and Fisheries, by 1975-76, this amount to £4.8m. of its 1971-72 budget.

Deductions

The council, however, points out that several large sums must first be deducted from its total budget. These are £1.1m. for the new Nature Conservancy Council, £2.7m. for research and post-graduate training at universities, £1.5m. for the British Antarctic Survey, and £0.3m. for the Geological Museum.

This, says the report, leaves a balance of about £10.7m. from which transfers totalling £4.8m.—that is 45 per cent.—have to be made by 1973-76. It implies that the three customer departments must enter deeply into the financial support of strategic research with the council, and in some cases basic research. Detailed projects are being submitted to the appropriate Research Requirements Board of the departments. The council says that indications so far are

that it will not be difficult to meet the problem this coming year with applied research projects of direct relevance to departmental interests.

It is evident, however, says the report, that in some cases two or all three departments are concerned with a field of research which cannot sensibly be subdivided. The council believes the difficulty will increase in attempting to meet transfers for the second and third year.

Co-ordinated

Examples it offers include the Geological Survey, and the practical functions that arise in coastal waters such as coast protection, storm surge prediction, sea-bed surveying, and harbour and off-shore navigation.

For these and other fields, which also include a significant amount of fundamental research, it will be necessary to develop a system whereby the various customer requirements and the needs of fundamental research are properly dealt with in a co-ordinated way.

Dearer all-day parking likely in the City

BY RICHARD MOONEY

SHARP RISES in the cost of all-day parking in City of London will be a reduction in the number of parking spaces, the likely result of recommendations to be placed before the Court of Common Council by the Corporation's planning and communications committee.

The committee argues that cars used for commuting should be the first to be limited, through traffic should be directed away from the busiest centres and the total amount of parking space should be related to the capacity of roads in the area to take the traffic generated.

In particular the committee maintains that the pattern of parking charges should not favour those who leave their cars all day.

Restraint

The report points out that there are already nearly 3,000 public off-street parking places in the City and that further congestion on busy main routes would lead to the total up to 6,500. In 1970 there were 3,810 spaces.

"We would not advocate a

reduction in the Corporation's present programme for the construction of public off-street car parking spaces, but a restriction of private off-street parking and a planned reduction in the number of parking meters, related to increases in the number of parking spaces in public off-street car parks," the report says.

It also recommends that car spaces in new office developments should be limited to one per 12,000 square feet of floor space, compared with the present one per 10,000 square feet.

Road schemes

"The Common Council," the committee says, "should look favourably on applications for conversion of surplus parking space in office buildings to other uses."

Mr. John Peyton, Minister for Transport Industries, has authorised eight road improvement schemes in London. The schemes will cost a total of about £12m. and will ease congestion on busy main routes in Hammersmith and Richmond, Lambeth, Lewisham, Islington, Southwark, Bromley, Kingston-upon-Thames and Newham.

Radio Rentals plans £1m. Royal wedding campaign

BY ARTHUR SANDLES

RADIO RENTALS, Britain's biggest TV rental company, is planning a £270,000 Press and TV advertising campaign to accelerate the demand for colour television sets. The campaign is aimed to coincide with the Royal wedding of Princess Anne to Captain Mark Phillips.

"It is clear that the Royal wedding will be a compelling factor for the acquisition of colour TV," said Mr. Eric Starkey, Radio Rentals' marketing director, yesterday.

Although supply of colour television sets has been more than adequate recently, demand has picked up during the past few weeks. "It is thought that 'queuing' for popular sets will not be uncommon in the early winter."

Mr. Starkey added: "The

Coronation triggered off an avalanche of TV monochrome rentals in 1953. We believe that the wedding of Princess Anne and Captain Phillips in November will have an even greater effect on the rentals of colour sets. These are now coming from the U.K. production lines at double the rate of monochrome sets in 1953."

Radio Rentals has recently started a massive reorganisation programme, which involves the re-structuring of its management structure. About £15m. is being spent on the retail outlets at the moment.

The company has also entered the short-term hire business in a major way. On October 13, it is the sponsor of the Victor Eubank trophy at the Horse of the Year Show (prize £4,000).

London houses fail to reach auction reserve

BY JOE RENNISON

TWO LARGE first class residential properties in central London were withdrawn from auction yesterday because both failed to reach their reserve price. Number 11, The Boltons, Kensington (above) was expected to fetch around £250,000 for the freehold. Bids for the other house, number 4, Cheyne Walk, were expected to reach £200,000.

Both houses are fine examples of their period. The Kensington property along with the rest of The Boltons was built by George Gower, the editor of The Builder at the end of the 1840s. It is listed as a grade two building of special architectural or historic interest. At present split up into several flats it could easily be restored to single family occupation with a very extensive accommodation.



Glass container sales rise slackens off in 1972

FINANCIAL TIMES REPORTER

SALES OF glass containers last part of the year. Demand became stronger during the last three to four months. 1971 figure of 6,380m. The Glass Manufacturers' Federation said was about 6 per cent. to £107.4n. The food trade was again the biggest user with 2 per cent. of consumption. Wine and spirits and soft drink came mainly during the early accounted for 18 per cent. each.

GLASS CONTAINER SALES 1972		
Sales of glass containers for all products for 1972 were as follows		
Product Group	Sales (m units)	Share of Market (%)
Food	1,890	29
Wine and Spirits	1,131	18
Soft Drinks	1,175	18
Chemicals and Pharmaceuticals	597	9
Dairy Products	534	8
Beers and Ciders	413	7
Toilet and Perfumery	281	4
All other types	451	7
TOTAL	6,501	100

More full-time teachers for inner London

By Michael Dixon, Education Correspondent

THE SHORTAGE of full-time teachers in inner London schools is less severe than it was at the beginning of term. The Inner London Education Authority announced yesterday that the present full-time shortage was 351, compared with 376, on September 6.

On the other hand, resignations have produced a worse shortage of temporary and part-time teachers. Even though the authority has recruited 40 extra people, the number of temporary and part-time vacancies has grown from 245 to 268.

Twin-propeller hovercraft to be launched

THE BRITISH Hovercraft Corporation will launch its prototype twin-propeller SR N6 hovercraft from its Columbine works at East Cove, Isle of Wight, September 25.

The Mk. 6 hovercraft features a twin-propeller installation designed to reduce external noise while increasing directional control. Other improvements include the installation of a more powerful engine and a deeper, flexible skirt which will increase passenger comfort and performance.

سید محمد صالح

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The NSU Ro80. It makes other new cars seem a little old fashioned.

To judge by appearances it would seem there's no shortage of new cars from which to choose these days.

But should you go into it a little more closely, in many instances you'll find that underneath the new exterior styling there are often rather older engineering and design principles.

This is not the case, however, with the NSU Ro80.

Because through each stage of its conception, it was designed from scratch.

An engine that goes round in circles.

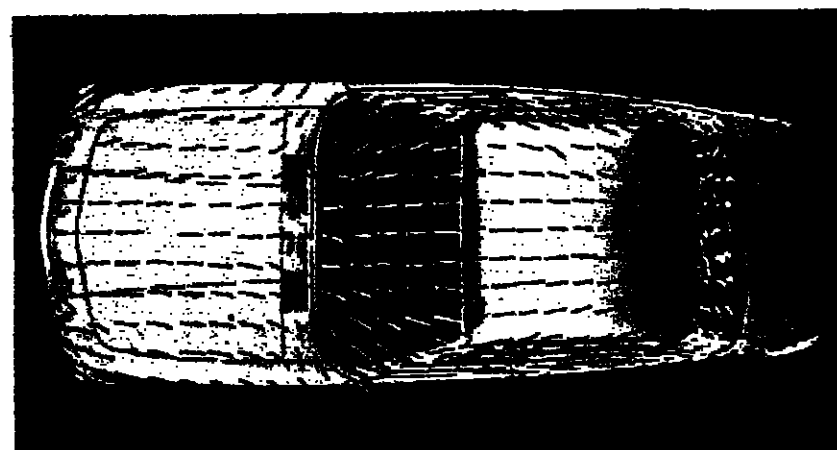
Our first break with tradition was in finding a completely different way to power the Ro80.

Instead of the kind of engine that's been driving cars around for over 80 years, we chose the twin rotor Wankel engine.

With only 3 main moving parts (as opposed to over 100 in normal engines), it's unusually silent, and free of mechanical vibration, even when cruising at speed.

"For sheer smoothness and general unobtrusiveness, the Ro80 is incomparably good" wrote 'Car' magazine.

The car that was shaped by the wind.



A further reason for the low noise level comes from the Ro80's second break with tradition: its shape was designed in a wind tunnel, instead of on the customary drawing board.

The result is a wedge shape, with 30% less wind resistance than the average car on the road. So that, as the AA concluded in their road test report, "wind noise is virtually non-existent."

Its aerodynamic shape serves another function too: it helps keep the car firmly pressed against the road when it's travelling fast. Added to this, there's the advantage of front wheel drive.

So you can cruise, or corner, safely at speed, without wavering from your course.

We've taken a lot of work off your hands.

In our efforts to make the Ro80 as safe and untiring as possible to drive, we added other important features that, again, you're unlikely to find on the majority of cars.

For instance, there's servo assistance on the steering, that gently cuts in to help as soon as you apply more than 2.2lbs of effort. 'Car' magazine felt it was "as near perfect as one is likely to encounter this side of £6,000." Whilst the AA wrote: "The Ro80's is the only powered mechanism we have met that offers genuine road feel."

We've taken a lot of the effort out of gearchanging, too. With a selective automatic gearbox, you're free to choose the exact moment you wish to change gear, without having to concern yourself with a clutch.

But if all this still hasn't convinced you that the NSU Ro80 is a completely new car, both inside and out, we suggest you go along for a test drive.

That, at least, should bring you up to date.



AUDI NSU

If you want a better car, think about it.

Dewar's goes down smoothly



Blended for smoothness—it never varies.

ANNOUNCEMENT BY TEXACO OVERSEAS PETROLEUM COMPANY

135 East 42nd Street, New York, N.Y. 10017.

On September 1, 1973, the Government of the Libyan Arab Republic announced the issuance of a decree whereby it purported to nationalise 51 per cent of the interests in Libya of Texaco Overseas Petroleum Company (Topco) in respect of its concessions numbered 42, 43, 44, 45, 46, 47, 51, 73, 83, 119, 120, 131, 132 and 133 in Libya. Such action by the Government was publicly stated by it to be in retaliation for Topco's refusal to accede to the Government's demands for transfer to it of interests in such concessions on terms unacceptable to Topco. This action by the Government is in violation of Topco's concession rights and of established principles of international law and wrongfully deprives Topco of its rights and property.

Topco's rights were acquired from the Government of Libya through deeds of concession granting jointly to Topco and another oil company the exclusive right to explore for, produce and export crude oil from these concession areas in Libya. Topco's 'Amna' and 'Sirtica' crude oils are produced from certain of these concession areas.

Topco has protested the issuance of the nationalisation decree and, in accordance with its deeds of concession, has called for arbitration of the dispute arising therefrom.

This announcement is to advise crude oil purchasers and others concerned that Topco will enforce its rights against any and all parties who infringe thereon and will pursue all legal remedies to recover any crude oil illegally taken from it in Libya.



Insurers told to pay £10m. for blown-up Pan Am Jumbo jet

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

INSURANCE COMPANIES on affect future claims for aircraft destroyed by hijackers. Judge Frankel said that the hijacking and subsequent explosion to pay \$24.2m. (about £10m.) to Pan American World Airways to cover the cost of a Boeing 747 Jumbo jet blown up by Palestinian hijackers at Cairo Airport in 1970.

This will be the second such insurance payment in recent months. Insurance companies in Britain and other countries, including some on the Continent and in the U.S., recently paid around £10m. on a Japan Air Lines Jumbo jet blown up by hijackers at Benghazi. Judge Marvin E. Frankel, giving a long-awaited verdict in the Pan Am case, ruled that the destruction of the Jumbo at Cairo on September 6, 1970, represented an ordinary risk from the insurance viewpoint, and not an act of war. The hijacking, he said, "had substantially nothing to do" with war or the threat of war.

Vital question

It is this question of whether or not the war-risk underwriters or all-risks underwriters should pay that has delayed settlement of the matter until now. If the loss had been attributed to an act of war, the U.S. Government might have been liable for about \$9.8m. of the damages, with the rest being met by a group of private companies, including some in the U.K., that insure Pan Am against war risks.

As the judgment now stands, the all-risks companies will have to pay, although it is understood that an appeal may be lodged against the ruling, since it could

"The notions of hijacking and terrorism were perfectly familiar to the all-risks insurers," he said, adding that the loss did not fall under certain war-risk exclusions in Pan Am's all-risks policies. Most of the losing insurance companies were members of either the U.S. Aviation Insurance Group, or the Associated Aviation Underwriters.

A Pan Am spokesman identified the companies that will have to pay as: Aetna Casualty and Surety Company, Aetna Insurance, Continental Casualty, Hartford Accident and Indemnity, Hartford Fire Insurance, Maryland Casualty, Reliance Insurance, St. Paul Fire and Marine Insurance, Security Insurance of Hartford, Travellers Indemnity, U.S. Fidelity and Guaranty, Zurich Insurance, British Aviation Insurance, David Linton Dunn (representing a group from Lloyds of London) and Federal Insurance.

Pan Am said it had already been advanced \$12m. from the judgment, and was carrying another \$12m. on its balance sheet as "receivables not yet paid." The payment would not have a significant effect on its earnings, because payment of the loss had already been considered assured.

Saleroom

Dessert service sold for 6,500 guineas

A LOUIS XV silver-gilt dessert service made by the widow of Jean-Frédéric Fritz, of Strasbourg, dated 1773, was sold for 6,500 gns. at Croxeth Hall, Liverpool, yesterday. It was the top price in the third session of the four-day sale being jointly conducted by Christie's and Corkhill and Job, of Birkhead. The service was bought by Frank Partridge and F. J. Phillips, of London.

The silver session totalled £84,349, bringing a total for the first three sessions to £216,190. Victorian silver particularly fetched good prices, and two large composite King's pattern table services engraved with the Sefton crest or initials and dating between 1827 and 1878, each sold to Frank Partridge for 4,500 gns.

A set of four George II cushion-shaped entre dishes by Frederick Kandler sold for 1,800 gns. to a private buyer and a set of four George III table candlesticks sold for 1,500 gns. to the Loom dealer Bloomstein. A pair of George III shaped circular salvers by J. Crouch and T. Hannam sold for 1,700 gns. to Koopman. At Sotheby's Belgrave yesterday, a sale of Victorian paintings, drawings and watercolours realised £32,577. Roberts gave

Annual Statements—continued

BERTAM CONSOLIDATED RUBBER COMPANY LIMITED

The Annual General Meeting of Bertam Consolidated Rubber Company Limited was held on September 18th at Sevenoaks, Kent, Mr. R. E. Bowmar (Chairman) presiding. The following is an extract from his circulated review.

I mentioned in my last Statement that we anticipated a considerable increase in crop for the year ended 31st March, 1973. This in fact was achieved and the annual crop harvested was 7,082,000 lbs. (3,188,186 kg.). This is an increase of no less than 1,500,000 lbs. (644,218 kg.) over the previous year.

Profit before tax is satisfactorily up by nearly £180,000 over that for the previous year. The profit after tax is not strictly comparable as the tax charge has been affected by the change to the imputation system.

Compensation has now been received from the Government in respect of the acquisition of 48 acres for a fresh water canal and a further 365 acres for a Government Research Station and, as mentioned in the Directors' Report, the actual amount of compensation for these areas averaged around \$3,000 per acre. In view of this and also because our previous professional valuation is five years out of date the Board has thought it appropriate to give Members some idea of the value of the Estate in terms of cash and this amounts to £2,350,000.

Our pilot scheme for the growing of oil palm progresses and already augurs well for a future possible crop diversification. In this connection I think it opportune to mention here that our associated company, Sungkal Estates Ltd., in which we have a 49.99 per cent stake has recently made a rights issue of one for two at £4.00 per share. The total amount of cash subscribed by Bertam for the rights issue amounted to £44,994 and makes use of some of the money realised from the compulsory acquisitions of land.

As always it is difficult to forecast trading results for the current year. Obviously with the price of rubber as it is, much higher sales figures will be achieved provided there is not a collapse in the market.

£980 for a painting by Richard Beavis entitled *In Doylesford Park, Worcestershire*, and Dennis Las acquired *A Birthday Crocker* by Arthur J. Elfrey, for £850. The Omell Gallery paid £700 for *Saint Gertrude's canal, Venice* by Arthur Joseph Meadows, and £500 for *A farmyard scene*, attributed to J. F. Herring. The Sefton Gallery acquired *A view of Ruffington, Dorset* by Thomas Bush Hardy, for £500, and the Unicorn Gallery gave the same price for a painting by Henry A. Woollett, *In the Stable*.

A sale of 18th and 19th century paintings and prints by KJag and Chasemore totalled £24,307. Mr. Thompson paid £2,400 for *A Fine Upland Scene* by Johann Christian Volterdt, signed and dated 1754. A rural landscape by P. de Bloot went to Dennis Vanderkar for £1,000, and Patch paid £800 for *The Lake of Orto* by George Clarkson Stanfield.

A furniture sale at Phillips' totalled £37,050. A George III mahogany break front library bookcase went for £1,800 to Morse; a pair of antique satinwood side tables were bought by Wilson for £2,000. An 18th century German walnut and marquetry bureau cabinet was sold to Koblitz for £2,300.

A diamond tremblant brooch fetched £1,400 in a Phillips' £21,042 jewellery sale. It was bought by Peerage. A bracelet set with jade and diamonds sold to Seymour for £1,100.

NEW COURSE ON MERGERS IN EEC

A two-day course covering the latest developments in relation to mergers, monopolies and fair trading in the EEC will be held at Charterhouse Accountants' Hall, Moorgate Place, E.C., on October 24 and 25.

The course is organised by the Institute of Chartered Accountants in England and Wales. Speakers include Mr. Cyril Coffin, an Under-Secretary at the Department of Trade and Industry, dealing with competition matters, and Signor E. Volpi, chief of the harmonisation of company law division at the Commission in Brussels.

Resignation casts doubts on Triumph motorcycle range

BY PETER CARTWRIGHT

A QUESTION mark over the future model policy of Norton Villiers Triumph, which is to be served by the Government to Meriden, Coventry, with the loss of 1,750 jobs, is raised by the resignation—disclosed yesterday—of Mr. Bert Hopwood, the director in charge at Meriden and a member of the old BSA Board. Mr. Hopwood, basically an engineer, was managing director of Norton, merged with Associated Motor Cycles and later into Norton Villiers, and was largely responsible for the Norton Dominator from which the current Commando has evolved. He joined Triumph as director and general manager 12 years ago.

While Lord Shawcross was chairman of the ailing BSA concern, Mr. Hopwood was appointed to the Board at the insistence of shareholders who wanted to see a "motor-cycle man" on it.

In the past 18 months, Mr. Hopwood has carried out the first phase of a three-phase programme by simplifying the production schedule after the disastrous simultaneous introduction a couple of years ago of 14 new models, and by updating machines. The Triumph 1974 range was shown to key dealers earlier this week.

The second phase, expected to last another 18-24 months, was to cement relations with dealer organisations and introduce new franchising arrangements in all markets in preparation for the introduction of five new models for 1975.

No one in the U.K. has successfully challenged the Japanese in the lightweight field, but part of Mr. Hopwood's strategy was to confront them with models over the range from 250 cc to a sophisticated 1,000 cc Wankel-engined machine.

"It's no use taking them on in just one or two sectors of the market," he told me from his Torquay home yesterday. "We were trying to catch the youngsters and bring them up through the range."

The new machines were to be based on modular designs using the maximum of common parts and were to have a great deal of technical appeal.

Norton Villiers, whose main output is the big Commandos, also has plans for extending the range downwards, at present represented by AJS Scrambler machines, but it is understood that these were more conventional than those being developed by Triumph.

A policy clash with Mr. Dennis

Police patrols for London council estate

THE Metropolitan Police is to up its coverage of London council housing estates. The result of a major announcement yesterday, the Home Office and the Metropolitan Police following representations by the London Borough Association.

In the past police patrolled public roads passing through council estates but access roads. Now patrols will use them and officers regard any housing estate as of their beat.

Mr. Lou Sherman, chairman of the L.B.A., welcomed the change and said it had expressed concern over the impossible situation existed for a long time.

A victory for commonsense, added.

CHINESE VISIT

A HIGH-POWERED delegation from the China Council for the Promotion of International Trade is visiting Wales this week, the invitation of the Development Corporation for Wales.

INTERIM STATEMENT

GROUP LOTUS CAR COMPANIES LIMITED

HALF-YEAR PROFITS A NEW RECORD

GROUP LOTUS Car Companies Limited announce unaudited financial results for the 25 weeks ended 22nd June, 1973.

	First Half 1973	First Half 1972	Full Year 1972
Group Turnover	£3,865,000	£2,749,000	£5,953,000
Group Profit Before Tax	£660,000	£511,000	£1,126,000
Group Profit After Tax	£363,000	£307,000	£696,000
Interim Dividend per share	1.47p		

(2.1p gross) 2.0p gross 4.43p gross

Profits for the first half of the year at £660,000 were a new record as turnover continued to expand and were up 29% on the first half of 1972. The period saw the successful phasing out of component cars as planned without loss of revenue.

Production of the 2-litre engines for the Jensen Healey increased during the period and made an initial contribution to profits. Demand for the Group's products continues to be strong in both home and overseas markets.

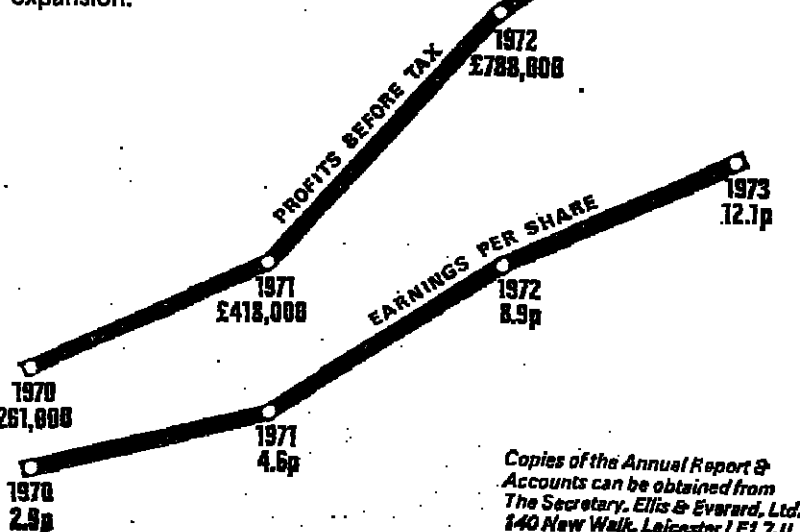
The maximum permitted interim dividend of 1.47p per 10p share equivalent to 2.1p gross (1972 2.0p) has been declared payable on 1st January 1974 to shareholders on the register on 30th November, 1973, absorbing £84,899.



Ellis & Everard

Profits increased by over 31% Another record year

"Despite the monetary crisis and the difficulties of curbing inflation" says Chairman Anthony Everard, in his report, "I remain confident of the future of our two main markets—the supply of building materials and industrial chemicals. During the year under review a large programme of capital expenditure was again undertaken. I believe these investments, including our acquisitions, will show increasingly satisfactory returns, and provide a sound basis for our expansion."



Copies of the Annual Report & Accounts can be obtained from The Secretary, Ellis & Everard, Ltd., 140 New Walk, Leicester LE1 7JL.

FINANCIAL TIMES TODAY

Meet smelling plants

I LANE FOX

is a place to sit in, squashing. But there are other could combine with the Woodruff called Asperula Odorata which smells of hay, Viburnum Juddii, a delicious May shrub, golden Lemon Balun to pluck. Thyme Silver Queen to bruise and perhaps an arch of the late Dutch honeysuckle overhead to lull you to sleep on mid-summer evenings.

If there were a ledge nearby, perhaps from a wall, I would cover it with pots of scented autumn crocuses, especially one called Longiflorus. Lilac would have to be nearby both in its tubular Canadian-Varieties such as the pink Bellicent and in the more normal, but differently-scented forms such as Madame Lemoine. Pinks of all kinds, especially one called Bats Double which smells of cloves, catmint and variegated apple mint, a particularly fresh late summer plant, would round off the scent at ground level. All plants as smelly as Broom, as sickly as white Clematis Montana or as stale as hardy Penstemon would be removed to a corner for appearances only.

Winter shrubs

This ribes has a small tubular golden flower and is scented extremely sweetly of spice and vanilla, at least to my nose. Allow it to grow up to six feet tall and wide; you can multiply it quickly by cuttings and you may agree that its rounded and indented leaf is rather charming. Not, however, an evergreen, and for this I would look back to two even earlier winter shrubs.

One, the golden-leaved Daphne Odora Auro-Marginata, has been praised often enough here for you to know that it is mauve pink flowered, hardy against a south wall, three or four feet high and the most heavenly scented shrub in the book. It will also, I find, grow well in a seven-inch pot and gritty earth kept up to the mark with liquid manure; in a pot you can move it indoors for safety during cold winters. Its sea-side companion could be the neglected Sarcococca whose evergreen leaves resemble the elegant Butcher's Broom (if you know the plant I mean) and bear dull but very sweet greenish-white flowers in January.

Inside this frame of evergreens there would of course be room for Rosemary, lavender and a bush of the dwarf Philadelphia; also the Incense Rose called Prunella whose stems smell of incense after a shower of rain. White regale lilies, perhaps in pots, Lily of the Valley in its Everest form, perhaps under the seat where it could live in the halfshade it enjoys; these sweet white flowers suggest you plant a atic plant like pepper-lyme actually on the ace, in a pocket of as sometimes been led for those who ash out a sweet smell down. Does do visit us and their leaves stand a repeated

Coal Board to spend £5.5m. on sea pits

FINANCIAL TIMES REPORTER

THE NATIONAL COAL BOARD is to spend £5.5m. to link the Durham coast collieries of Horden and Blackhall, 1,500 feet below sea level and four and a-half miles out. The project will exploit reserves of 57m. tons of coking coal.

Mr. Norman Siddall, who becomes deputy chairman of the Board next month, announced this yesterday at Lumley Castle, Chester-le-Street, Durham.

Only weeks earlier the Board had decided to spend more than £1m. to tunnel into a ten square mile field of coking coal under the North Sea further north off the Durham coast.

Both developments are the outcome of off-shore boring programmes in the 1960s, when a vast undersea coal field, estimated to contain 550m. tons, was located.

The main points of the new scheme include: the building of two 1,000-ton bunkers at the junction of the Horden/Blackhall connection to separate different types of coal; interconnecting roadways; a 4½-mile conveyor system to carry 1.5m. tons of coal a year; improvement of the power supply and ventilation systems; and the provision of a £1.8m. coal preparation plant at Horden.

Manpower at the two collieries at present is about 3,270. This will fall, mostly by natural wastage, to about 3,030 by the time the project is completed in 3½ years' time.

Payments for disabled housewives urged

FINANCIAL TIMES REPORTER

BRITAIN'S 500,000 disabled housewives should be entitled to a disability income, Mr. Dennis Saunders, chairman of the Disabled Income Group, said yesterday.

The income should reflect the extent of the disability and realistically compensate the housewives' families for extra expenses and burdens.

The call coincided with the publication of the group's first comprehensive report on disabled Merseyside women, 11 of them mothers—prepared by Mr. Ian Earnshaw.

The report says that, for the disabled housewife, faced with the daily routine of shopping, cooking and housework, "many tasks are impossible and others can cause considerable pain."

Shortage of money was a constant source of anxiety to the disabled and the main cause of many of their problems.

"No detailed work has as yet been produced which looks thoroughly into the economics of being disabled," the report states.

Out of 12 husbands interviewed by Mr. Earnshaw, three had given up jobs to look after their wives and two others blamed the family situation for lost promotion and job opportunities.

Ministers face rough ride from Tory rank and file

BY RICHARD EVANS, LOBBY CORRESPONDENT

MINISTERS WILL face a session will be the three-hour debate on economic policy, prices and taxation taking up the whole of the morning of October 11. Mr. Anthony Barber, Chancellor of the Exchequer, will sum up the debate, and two other Ministers—Mr. Joseph Godber, Minister of Agriculture and Sir Geoffrey Howe, Minister for Consumer Affairs—will intervene.

The motion appreciates that rises in world commodity prices cause inevitable rises in the cost of living, and calls on the Government, the TUC and CBI to work together "within the framework of continued expansion of our national economy, to ensure the success of efforts to relieve the hardship which such price increases bring to many sections of our community, and to provide for a continuing improvement in the standard of living of all our people."

The conference opens on the Wednesday with a resolution on environment and planning which recognises the urgent need for Maplin and the Channel Tunnel, but calls for the projects to be planned so as not to have a damaging effect on the environment. This will be followed by a debate on industry and employment, when the representatives will be urged to reassert their faith in capitalism and to call on the Government "to take appropriate measures to strengthen private enterprise and encourage personal initiative." Other debates on Wednesday will be on housing and land

and on immigration and race relations, where the motion calls for "no further large-scale immigration into Britain of any kind."

Criminal violence

Two other critical resolutions have been chosen for the Thursday debates on crime, where there is a reference to deep concern at the "unacceptable level of crimes of violence against the person and of vandalism," and on Rhodesia when the Government will be urged without equivocation "to recognise Rhodesia as an independent state and to withdraw all sanctions." The Foreign and Commonwealth Secretary, Sir Alec Douglas-Home, will have the task of defending the Government's policy of continuing sanctions.

The maximum number of resolutions tabled for a specific subject was 163 on social services and health, followed by economic policy and taxation (131), housing and land (119), education (116) and crime (113).

As the resolutions had to be submitted by July 20, there is no reference to the recent bombing campaign in London and the Midlands, or to recent developments on the mortgage front. There will, however, be three emergency debates on balloted motions chosen at the start of the conference.

A large number of the resolutions on housing call on the Government to give additional assistance to young people and first-time home buyers.

Scottish libraries 'hit by national control policy'

LIBRARIES could face poor relations with the national government if the central government does not reverse its policy to place them under a national control policy, rather than regional control, says Sir James Harrison, president of the Scottish Library Association, at the annual conference of the Association, held at the University of Glasgow yesterday.

There was criticism, however, of the delay in constructing the new library building near the British Museum and unresolved staff contract difficulties.

Bought for Glasgow Sheriff court house

Y of a new sheriff court Glasgow to replace the old courts was advanced further yesterday when a contract was agreed to sell five ground at Lauriston to the Court House for £450,000.

The ground facing the Carlton Place had been acquired but the is held up by objections of a disused church. The Secretary for Scotland has given for the demolition and ration are to carry this with other buildings.

Drawings will now be used for the proposed three-story court which could be completed by the end of the year and the present sheriff court buildings and Lanarkshire House sold for other purposes.

Bomb fails to halt factory

PRODUCTION at the Birmingham factory of F. A. Power, the GKN package security specialists, is completely unaffected by the bomb which exploded there on Sunday, the company said yesterday.

The front entrance, reception area and an adjoining office were badly damaged by the explosion which also blew out several windows at the front of the building in Witton, Birmingham.

The factory, production plants and outside service facilities were not affected by the blast.

Plea to boost image of home improvements

THE WHOLE concept of home improvement must be maintained and developed in the public mind, so that it is widely recognised and accepted as at least equally desirable to other consumer attractions such as cars, colour televisions, foreign holidays and boats," Mr. P. C. Buchanan, president of the National Federation of Builders and Plumbers Merchants, said yesterday.

Mr. Buchanan, who was speaking at the annual general meeting of the National Fireplace Council, emphasised the benefits to be derived from co-operation between organisations such as the NFBC and the NFPM.

He praised the NFBC for their joint promotional activities and said there was no doubt that the downward trend in the fireplace market had been reversed.

"Between us we have succeeded in capturing peoples' imaginations," he said.

INSURANCE FOR SUB-STANDARD DRIVERS

Insurance for sub-standard motorists—those with poor claims records, drink-driving convictions and other disadvantages—is available under a facility arranged by John Holman and Sons, Lloyd's brokers, and known as Enterprise Motor Policies.

This contract is subscribed to by a number of Lloyd's motor syndicates and it can be used by insurance brokers throughout the country who normally place a substantial amount of motor business in the Lloyd's market.

SPONSORS LOWSHIPS

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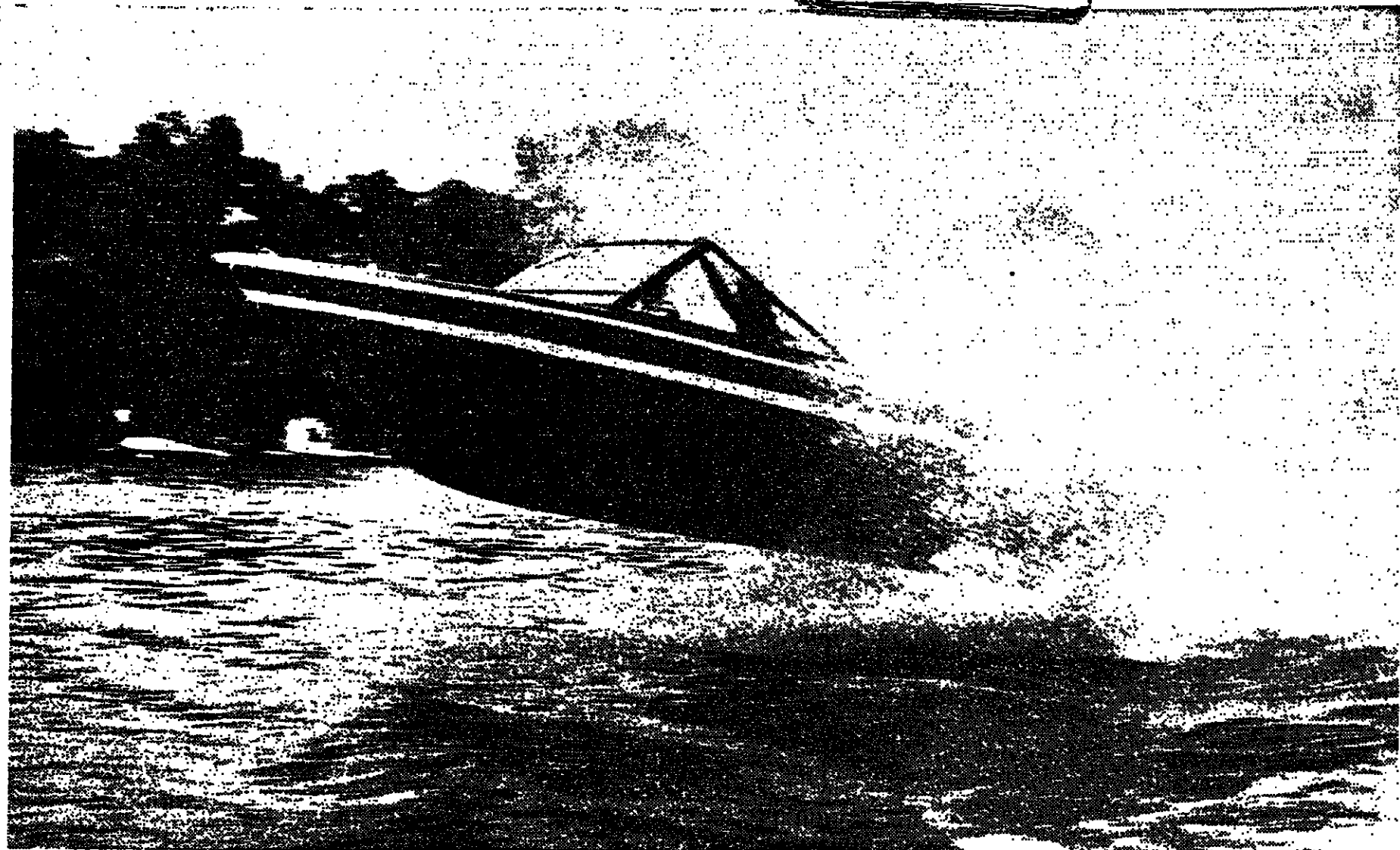
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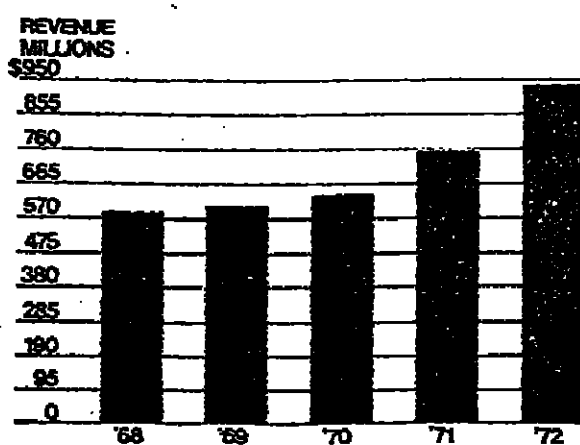
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SPECIAL TIMES REPORTER

At present, the era of energy which we have expected for the last 20 years is behind us. We shall become used to less and higher-cost energy, new ways of using our resources more efficiently," he said.

He was addressing a conference of the Energy Supplies Conference organized by the Financial Association with British Overseas Division, and for prompt international collaboration on energy among consumers.



Mr. Charles J. DiBona, special consultant to the U.S. President and Mr. Derek Ezra, National Coal Board chairman.

pressures against the development of new oil, coal or nuclear resources, meant that the U.S. would now join Western Europe and Japan as a major importer of oil. The implication could be acute competition for oil supplies which could bid up the price and jeopardize agreements.

He said areas for policy was an avoidance of competitive scramble for oil by consumer countries; creation and maintenance of agreements; appointment of specialists against a competition for supplies; and the use of these measures should be intended or interpreted as "confrontation."

Mr. George Gathercole, chairman of Ontario Hydro, asked:

"Can electricity fill the energy gap?"

With world demand exerting heavy pressure on oil and gas supplies there will be a shift in the pattern of energy consumption to electricity, he said. Energy consumption will continue to rise at a higher rate than population, and electricity's share of total energy use will expand substantially.

He believed that electricity could fill the energy gap. In the short run it provided a means of using the vast coal resources of the world. In the long run, one day nuclear fusion and solar energy electricity could free the world from the calamitous consequences of falling reserves of fossil-fuels.

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

Toyota advises seatbelt change on some models

TOYOTA (G.B.) is writing to owners of certain Carina 4-door saloons and Crown hard-tops offering them free replacement for the front seatbelt assemblies.

The cars involved are the Carina chassis series TA12-RDF up to chassis number MS75-HD and the Crown hard-top, chassis series MS75-HD up to chassis number MS75-004719.

The replacements will change the effective seatbelt anchorage location to meet British requirements requested by the Department of Transport. Only about 3,000 vehicles sold in the British market are affected.

THE FUTURE of the NATO base in Keflavik, Iceland, could be a major cause of the cod war, Dr. Joseph Luns, Secretary-General of NATO, said yesterday.

At London Heathrow Airport, after talks in Iceland with Icelandic Ministers, Dr. Luns said: "Iceland already had an agreement with the Belgians over fishing rights and was reacting to settlement with the Germans, but the Belgians and the Germans are now the major stumbling block," he said. Later he left for Brussels.

Sea Containers, the leasing company for containers, container ships and container cranes, has appointed Koctug Shipping and Trading of Istanbul, Turkey, as an agent.

of Kingston, Jamaica, and Mcville Shipping and Trading Company of Port-of-Spain, Trinidad, both steamship agents, will act for Sea Containers in these countries.

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The Executive's World

EDITED BY
JOHN TRAFFORD

دكر من العمل

Switzerland's Brown Boveri is no longer a loose association of companies, says Christopher Lorenz.

The eccentric multinational

It is no mistaking the Swiss engineering group, which surrounds most of the companies to-day. They have responded to a desire to give autonomy to foreign subsidiaries. But the desire for autonomy is still taken by an exclusively comprising from the mother

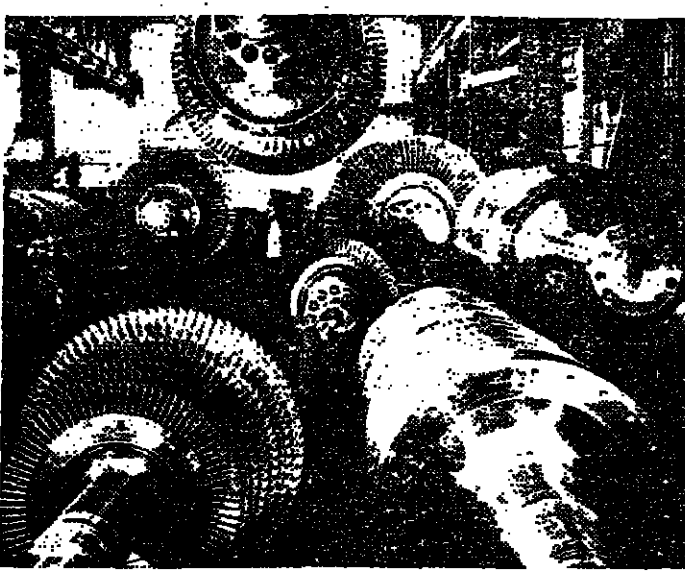
Since the reorganisation began in 1969 the ties have been strengthened. To-day, Franz Luterbacher, the group chairman, describes Brown Boveri as "a federation of companies not a single united group." Until two years before the reshuffle the "parent's" policy was mainly one of interest in the products it licensed and little more.

In the words of Prof. Eberhard Schmidt, head of BBC Mannheim from 1968 until a few months ago and now playing a key role at the centre, this policy of neglect was a great mistake. Resources were duplicated and wasted. Expansion was uncoordinated and often excessive. Mannheim and CEM competed fiercely in export markets and diversified irrespective of the plans of the other.

The process culminated in 1968 with Baden and CEM suffering a sharp fall in profits and Mannheim going into the red. McKinsey was quickly called in to cope with the situation, one which it had often met in other companies—a mixture of short-term managerial and long-term structural problems. But it was impossible to apply a stock solution, and restructuring the entire group along product lines was ruled out by Brown Boveri as too disruptive in the short term since it would take time to break down the traditional lines of national responsibility.

Erwin Bielski, brought in from Nestlé in 1970 to head group planning directly under Luterbacher, recalls that the group had to decide on according priorities between increasing regional responsibility, introducing a product orientated structure and implementing a functional structure. "We did not choose the regional priority because we were wise but because we had to," he says wryly.

A mass of changes followed the decision, both at the "primary" and the "secondary" level. At the primary level, the group leadership has been divorced from the Swiss company. A new managing committee has been set up, headed by Franz Luterbacher as chairman. He has also taken responsibility for the medium sized group affiliates. Four others also represent a geographical area: Giuseppe Bertola, a Swiss despite the name, looks after the newly formed Brown Boveri International (which allocates export orders and markets group products in areas where the group has no major company); Piero Hummel, Dr. Hans Gühringer and Roland Koch each represent the major company which they head, respectively Baden, Mannheim and CEM. The Sixth man is Prof. Schmidt, who is responsible for group research and technology. Three of the committee are Swiss (but only one speaks for the Swiss company), two German and one French.



Brown Boveri turbine rotors under construction. Many group products are now being made at a single site

have been given seats on each other's boards and a number of staff departments have been set up in Baden—still, of course, the headquarters of the Swiss company—to assist the managing committee. The departments include R and D, technical coordination, personnel management, planning, finance and control, and marketing carried out by the international company. Finally, the Swiss company was reorganised into a vertical structure, something done several years earlier by Mannheim and CEM.

The Swiss reorganisation was not just a break with tradition. Without it the secondary organisation would not have worked and the managing committee and its support troops would have been working in a vacuum with no basis for an international association into an efficient or eccentric multinational.

The secondary organisation consists of two levels. Fifteen

group "assortment teams" cover the 15 types of product, and each is broken into five or six "product teams." The managing committee meets once a fortnight—one of its most demanding tasks being the examination and approval of budgets and the review of financial reports. The meetings at secondary level are less frequent, every two to four months, though there is supposed to be more frequent contact by telephone.

Each team is made up of five to seven people, most of them with responsibility in an affiliate. Their initial task for the primary organisation was to catalogue every product manufactured by the group, a surprisingly lengthy exercise. But they were also put together to get to know each other and learn to work together. In the short period since the reorganisation began to take effect the achievements have been mixed in terms of management. But Bielski claims it has already begun to improve cash flow, and the streamlining of production is making good—if slow—headway.

Antipathy

National differences are causing substantial problems in the secondary organisation, with the language barrier worse than expected; the French complain about German being the only working language. More serious are cases where ignorance has given way to active antipathy as one side fights to stop the other gaining its hard-won know-how. In the past, said one Frank Frenchman, "the French, the Germans and the Italians ignored each other. Now they spend their time fighting."

This sort of teething trouble is experienced by every multinational, but in Brown Boveri's case it may have been exacerbated by the decision to maintain a regional structure to which national managers can always claim allegiance. The



Group Chairman Franz Luterbacher who also heads the managing committee

rest revived and the two partners' calculations were disrupted.

In early August the managing committee was considering establishing some sort of profit pooling, but this would have been extremely difficult between companies which were not fully owned. The thinking now appears to be back in line with basic marketing principles, that all transfer prices should be in the currency of the receiving country; and that the producer will stand to win or lose. But this is not the last the managing committee will hear of the problem if cross-frontier deliveries are to increase as planned.

One solution favoured by leading officials at CEM is that while development should be carried out in only one country, the standardised product should be produced in at least two of them, especially when output is above the level at which economies of scale can be achieved. This is

the pattern of turbine-generator production, for example, where the solution also avoids a clash with nationalistic customers such as Electricité de France or the German utilities. Because its internal relations dictate a slow rate of co-ordination, Brown Boveri's progress towards cross-frontier standardisation and single-sourcing has caused few problems with customers. But there is some internal concern that the specialisation of production will prompt some customers to consider opening their doors to imports for the first time. If a Swiss utility company buys a machine from Brown Boveri Mannheim, then why should it not let one of the AEG-Siemens subsidiaries in as well?

In general, however, single-sourcing is proceeding on the less controversial products like small motors and medium-sized rotating machines, though rationalisation is also under way in transformers. Small motors provide the best example of where development and production of a product is being centralised in one country, in this France.

One obvious drawback is that the new structure may be a deterrent to potential partners. Even though there is still room for links between a national component of the Brown Boveri group and an outside company, a new partner will know he has to deal with an organisation whose independence is being gradually eroded. This was one of the reasons for the collapse of CEM's merger with Jeumont-Schneider, though a change of policy by Baron Empain, Jeumont's owner, also played its part.

A merger on an international scale would prove even more difficult, though one day it may have to happen. In the meantime the Brown Boveri approach to multinational management is proving a realistic solution to an extraordinary problem.

BUSINESS PROBLEMS

Proportionment and a loan

to a question under if it damages the defence that the company needed to retain its profits for business purposes. mentioned the assessment of loan account money in the circumstances is it

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Communities Act 1972. However, exemptions can be given by the Department of Trade and Industry, and the banks to which you refer almost certainly have been granted such exemption.

Canadian resident and surtax

A resident in Canada has U.K. income just above the surtax level for 1972-73. Will he be caught for surtax on this U.K. income?
A Canadian resident who

BY OUR LEGAL STAFF

The Japanese learn Berni

BY NICHOLAS LESLIE

TEACHING management methods to the Japanese is an unlikely activity for a British company. But that is what Berni Inns, part of Maxwell Joseph's Grand Metropolitan group, is currently doing as part of its plan to set up a Berni steak house operation in Japan in conjunction with two prominent Japanese companies.

Resurfacing a right of way

Along with others, I have a right of way to some garages I own. If I have it resurfaced, do I need the permission of these others, and would it commit me to keep the road to this standard?

No, you can make up the right of way to any standard you choose at your own expense. Such action on your part does not commit yourself to anything further.

A limited partnership

Can a partnership be formed with limited liability and, if so, does it have disadvantages?
Yes, it is possible for one or more partners in a partnership to have limited liability under the Limited Partnerships Act, 1907. There must be at least one partner with unlimited liability. The main drawback (apart from compliance with the rules made under the Act, which is not difficult) is that the limited partner(s) can have no share in the actual management of the partnership.

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hold a 40 per cent stake in the venture with Mitsubishi having the remaining 20 per cent.

Dismayingly, Hayashi says he does not find exposure to Berni philosophy a strange experience. "At management level you are always learning new things. You are always a student and trying to improve yourself." He feels he is doing just that.

In Japan, the restaurant industry has historically relied on appearance being more important than quality of taste. To make a profit, the time-honoured practice of raising prices or trimming the size of the meal is employed.

Thus, Hayashi has found the important features of Berni to be consistency of quality, and portion control and the methods necessary to achieve this while holding down costs and prices.

While Hayashi, together with Stanley Ichikawa (another Mitsubishi man) are looking at how the administrative set-up should run, there are a further five Japanese potential managers or assistant managers, together with a general manager, learning how to serve meals and drinks and generally please the customer.

Not only that, says Hayashi, but the Japanese are now disinterested with anything but the real thing. The only way to do this is to do a deal with the company concerned, in this case Berni.

In fact, Berni is going to great lengths to ensure the Japanese get the real thing. Quite apart from the management training operation, it is also shipping out to Japan all furnishings and fittings for the first of the new steak houses. It will be doing its bit to push up sherry sales in Japan and as a final touch Watney's beer will be on sale.



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WEDNESDAY SEPTEMBER 19 1973

Liberals in assembly

THE LIBERAL Party Assembly remains that the Liberals themselves are seriously split, not at a time when the Party's merely on particular issues but supporters are in a more optimistic mood than for many years past. Not only have the Liberals done well in recent elections but the opinion polls agree in suggesting that they now enjoy the support of a considerable part of the electorate: it is significant that one of the most important debates of the Assembly will be concerned with the practical matter of securing as many Parliamentary seats as possible at the next general election.

It may be argued, of course, that in between general elections it is normal for a party like the Liberals to gain support which tends to disappear when a general election comes and old voting habits reassert themselves. Certainly their present popularity reflects to some extent the unpopularity of the Government, which it may or may not succeed in reversing over the next year or so; but it also owes something to disenchantment with the Labour alternative, both among traditional Labour supporters disappointed with its performance when last in office and among floating voters uneasy about its subsequent drift to the left. An interesting Gallup Poll published earlier this week showed that while 25 per cent of the electorate put Liberal as their first choice, no less than 44 per cent put it as second. This is not unimportant in a situation where the Liberals are widely expected to gain seats.

Uncommitted

The other standard argument used to dismiss Liberal support between elections as a protest vote of no lasting significance is that the Party has no clear policy—an argument that has been weakened rather than destroyed by the recent publication of a (provisional) statement of Party policy. But this is not necessarily an electoral disadvantage when both the major parties are to some extent divided and unpopular. The general impression created by the Liberals is that they are not committed to any particular class-interest and welcome new ideas on all subjects—an attractive combination to the floating voter. The Conservative and Labour Party conferences may well make it appear more attractive still.

The new structure for nuclear power

A FURTHER stage in the reorganisation of Britain's nuclear industry was achieved yesterday when Mr. Porter, Secretary of State for Trade and Industry, announced the membership of the Nuclear Power Advisory Board: its first meeting takes place to-day. This Board, which will advise the Minister on the strategic questions of nuclear power, is part of the new arrangements for the industry outlined by the Government in March. It was at that time that the Government's objective of setting up a "single strong unit" to replace the old nuclear consortia was finally achieved: the new company, subsequently named the National Nuclear Corporation, was to be effectively managed by GEC.

Longer term

The Advisory Board itself, which includes representatives from the CEBG and the Atomic Energy Authority as well as from the National Nuclear Corporation, has no executive functions, but should play a useful role in helping the Government to formulate longer-term policies for the nuclear power industry. On issues such as safety and pollution, as well as on the development of new reactor systems, the Board is likely to exert considerable influence. Now that the structure of the nuclear power industry has at last been settled after years of debate, more attention can be devoted to other aspects of the industry's development.

In the meantime the detailed implementation of the structural changes initiated in March have not yet been completed. The 35 per cent of the equity in the National Nuclear Corporation

OPEC demands a share of the oil companies' windfall

Richard Johns, who was in Vienna for last weekend's OPEC conference, sets the scene for the forthcoming negotiations with the oil companies

IN GENEVA four months ago an Arab oil official sipped a glass of Chivas Regal whiskey that I had ordered for him at the punitive price of 15 Swiss francs (rather more than £2) and mused "This cost you the equivalent of over two barrels of crude." He reflected that the expensive measure was made from renewable ingredients—malt, barley and spring water—but that the 70 Imperial gallons of oil in two barrels, once consumed, would be irreplaceable.

It is this thinking, of course, that has given increasing urgency to the claims for better revenue terms demanded by the oil producing countries. My friend's philosophical digression occurred in an interval during the negotiations in May on an adjustment of posted prices—the tax reference for oil—to take account of this year's monetary upheavals and the second devaluation of the dollar, the currency in which the tax reference is quoted. The outcome of these talks involved the revision of the January, 1972, formula for calculating prices in response to parity changes.

Now, following the extraordinary conference of the Organisation of Petroleum Exporting Countries at Vienna last week-end, the Western oil companies are faced with a demand for renegotiation of the Tehran revenue settlement, solemnly signed in February, 1971, which was supposed to have laid down the basic structure for taxing oil produced by the Western oil companies until the end of 1975. OPEC's members want a system of posted prices which takes into account the increase in the realised value of crude oil sales, and the rate of inflation in industrialised, consuming countries—the extent of neither was foreseen two-and-a-half years ago.

Doubled the take

As it is, the posted price for one important variety of crude oil, Arabian Light 34 degree oil shipped from the Saudi terminal at Ras Tanura, has risen from \$1.80 per barrel in the autumn of November, 1970 (before the companies agreed to a rise in the basic rate from 30 per cent to 55 per cent, and before posted prices were raised for the first time from the level of the early 1960s) to \$3.066. In this period King Feisal's actual revenue "take" will have doubled from 90 cents to \$1.80. In addition, the participation deals under which Saudi Arabia, Abu Dhabi and Qatar obtained 25 per cent of their concessionaires' operations and the new arrangement with Iran will have added an

average cost of some 10 cents to each barrel of oil from these countries.

In terms of revenue the companies have found themselves in a vicious downward spiral, with one demand, once satisfied, leading to and strengthening the force behind another. In the near future it seems almost inevitable that Libya's unilateral action in nationalising 51 per cent of the companies' operations in the Republic must have the effect of improving terms for members elsewhere.

The present situation is a far cry from those days, not to distant chronologically speaking, when the majors could sit tight

force behind arguments about the sanctity of contract. At the same time, there has probably been some realisation that in settling financial terms, economic facts of life—the inexorable demand—supply equation and changed market conditions—must be taken into account in assessing taxes.

A changed relationship was very much in evidence in the Geneva talks early this summer. The impression of confrontation created by the apparent deadlock in three previous rounds of talks was illusory. There had, indeed, been stalemate in the earlier negotiations with an OPEC committee headed by Mr.

the producing states, and the companies have been sitting on one side of the table. You, the consumer, have been on the other.

In fact for the industry the picture has not been by any means as melancholy as the perpetual cycle of OPEC claims and gains might have suggested. By and large they have been able to pass on the extra cost incurred and, just recently, to profit from increased market prices for crude oil which is not committed under long-term contracts. This has, of course been a major factor in improved oil company results this year par-

when prices are low (for this reason they unilaterally reduced posted prices by up to 25 per cent, in the late 1950s, a measure that prompted the formation of OPEC) and has risen when actual realisations have been high. It was calculated that the Tehran settlement gave the producing States of the Gulf roughly 80 per cent of the return on sales of their crude by the companies and market forces may have increased to 85 per cent by the beginning of this year.

In the last few months, this figure will certainly have fallen, but without access to the companies' accounts, OPEC experts at Vienna have apparently been unable to say exactly how much, though a level of 65 per cent seems possible. It has been the high prices offered for crude at the disposal of the oil States—in 1973 little more than six per cent of the amount covered by the Tehran agreements—that has led to the mounting demand for radical revision of the reviews.

As recently as May, Saudi Arabia and Iran wished to avoid a renegotiation. In its first big sales of crude this spring, Saudi Arabia is said to have turned down offers above posted price so that the price structure, on which the future of the Tehran pact depended, should not be undermined. As late as the OPEC conference in June the preoccupation was with inflation and the replacement of the factors in the Tehran pact designed to compensate for it—a 2½ per cent increase in the tax reference and a yearly increment of 5 cents (which was meant to cover increased prices charged by the companies for the products.) But the high prices offered in the market to Qatar, Abu Dhabi, Libya and Iran, and accepted by them, have swept away reservations about the five-year agreement and have led to an irresistible pressure for revision of the posted prices system.

Agreeing on an inflation index based on wholesale prices or cost of manufactured goods in selected industrialised countries would be a comparatively simple matter. OPEC experts played happily with several formulae at the week-end. But establishing a relationship between posted and market prices, and then evolving a "mechanism" for keeping the two in line, will present intractable problems both statistically and politically. OPEC members know that the high margins obtainable for lots made before oil was not fully representative. The companies will, no doubt, stress the volumes moving under long-term contracts with customers which do not include escalation clauses for higher realised

prices. Then there are procedural difficulties. Companies, in drawing up initial bargaining position, are not prepared, surely, to open their books to each other, alone OPEC, even if American anti-trust laws did not forbid. And the picture may be further complicated by internal-company transactions.

New trust for the companies

On Saturday the OPEC conference worked hard on a question without apparent reaching any hard, statistical conclusion on which to base demands. Arriving at some consensus has been left for the next negotiations, a OPEC's position is described, "flexible": in itself the exercise will be a test of the camaraderie established at Geneva. At least members know they want to restore their share to 80 per cent. At Vienna the talk was about the "4:1 ratio" and "equitable distribution of come."

This could represent a twist in the spiral that the companies will not contemplate with equanimity. OPEC experts may have had difficulty assessing average market realisations, but are confident in the words of Dr. Jamshid Amouzegar, the Iranian Minister of Finance, that they have worked out a methodology which measures the "unequal income" of the oil companies. In fact, has a predator eye on the windfall profits the oil companies have received on marginal crude oil sales? These may have amounted up to \$1 a barrel compared with an average return of 1969-70 before the market improved and 35-40 cents the beginning of this year. The argument will be pressed strongly, with public opinion mind, that the increased taxation sought need not be passed on to the consumer as should be absorbed in the companies' profit margins. T. Vienna talks, in short, are likely to be as amicable as those in Geneva.

And over-hanging them is the threat of support from Libya in the face of any attempt by the major oil company affected by last month's takeover measure to interfere with the Government's marking of the nationalised oil. Such undertakings have been made before on behalf of Libya and Iraq—but the stated proviso previously has been that collective support would only be forthcoming if the companies denied a minimum agreed OPEC demands.



Izzedin al-Mabrouk (left) of Libya and Abdul-Rahman al-Attiqi of Kuwait talking to reporters after last week-end's OPEC conference in Vienna

on their concessions, generate healthy profits from production and resist demands for a higher tax reference. Never before have members of OPEC been so conscious of their power as they were at Vienna this week-end. It is a reflection of the changed balance of power and OPEC's confidence as a cartel that the latest resolution summoning the companies to talks could set the date (October 8) and the venue (Vienna) without consultation with the industry.

Also significant in the new era has been the companies' reluctance to take up a defensive position behind the binding nature of the Tehran agreement—though until quite recently they were deriving comfort from the fact that two-and-a-half years ago the Shah of Iran, in particular, and the other signatories had given their word. With power now shifted into OPEC's hands there is little

particularly those of British Petroleum and Shell—after the poor financial performances of 1972. Understandably, OPEC members want a bigger share of values being realised on the market. The effect of higher actual prices—currently on average at about the same level as posted prices for the first time since the late 1950s—has been to lower the proportion of money actually realised that goes into the producing States' coffers. The first posted price was set by Mobil in 1950 in Iraq and the practice became standard—giving a tax reference meant to reflect actual realisations fairly accurately and to ensure stable revenues. Tax and royalties, currently 55 per cent and 12½ per cent respectively, are assessed on the posted price less production costs up to shipment.

Extra costs passed on

Afterwards one of the leading Ministers said to me darkly: "At these talks we

the effect of the system has been that the companies' share of the market value has fallen

MEN AND MATTERS

George-Brown on delicate ground

Borrowing money from the likes of Diebold Computer Leasing was, Lord George-Brown said, something "only the poor did at one time. Now it is something that everybody is happy to say they do." What he was talking about was not the computer leasing side of the company name, which accounts for only half of the business, but the £2m. of outstanding debt on its personal finance side. None of that is second mortgages (it is mainly credit sale contracts). But by entering the near-banking field at all, George-Brown, not for the first time, is doing something of which most politicians would be frightened.

His interests in becoming an active director of Diebold are, he says, to find something new now his advisory post with Courtaulds is finished: then the computer side, involving getting small and medium companies to use them, is an old DEA hobbyhorse; and personal credit, from the "dicey" atmosphere of tally men and money-lenders about in his own youth, has been a lasting involvement.

He is one of those who tries to get the union and co-operative movements in this country more involved with members' finance, as they are in Europe and the U.S. Diebold's aim is to challenge the big finance houses like UDT or Mercantile Credit. It was founded in 1970, as a wholly-owned subsidiary of DCL Incorporated, a U.S. group, and last year made £513,000 pre-tax. But the U.S. side has its own problems and 70 per cent of the British Diebold Computer Leasing is now going to First Pennsylvania Corporation, a banking group which is strong

in hire-purchase and mortgage banking in the U.S. The other 30 per cent will rest with the British executives, of whom two, Marcus Turnbull, the managing director, and Bob Knight, are ex-Mercantile Credit.

Turnbull, with the idea of gradually building up local profit centres rather than trying for a national network, admits that a major expansion with interest rates as high as they are is unlikely for a while. George-Brown (in the process of writing a newspaper article relating his unlucky "3½ per cent mortgages" remark to the present scene) agrees that it is no time to "push too hard. But as people's affluence grows, so they want to improve their standard of living. They do that by borrowing, and it is essential that they should be borrowing from reputable people on reputable terms."

Though his influence on the Parliamentary side of the Labour Party may have faded to a minimum, he looks bound to come up with some interesting ideas for the soon-to-be-renamed Diebold in a politically sensitive field.

Long-servers

On Monday I wrote that Anthony Barber had just passed Roy Jenkins to become the second-longest serving Chancellor of the Exchequer since the war. Wrong: it was James Callaghan (October 1964 to November 1967) he overtook, Jenkins having a slightly shorter stint, from November 1967 to the June 1970 election.

Dutch logic

The new Left/Centre Dutch Government had much to say yesterday, in Queen Juliana's speech from the throne, about its new Budget being the "first step towards structural changes

the Government wishes to make in our society."

Whatever this turns out to mean, the new team certainly broke with the tradition of the closing sentence of the monarch's speech, normally reading, "In the hope that God may give us the strength when I declare this session of the States General (official name of the parliament) open. This year God was dropped, the Queen merely saying: "In the hope that we may be given the strength..."

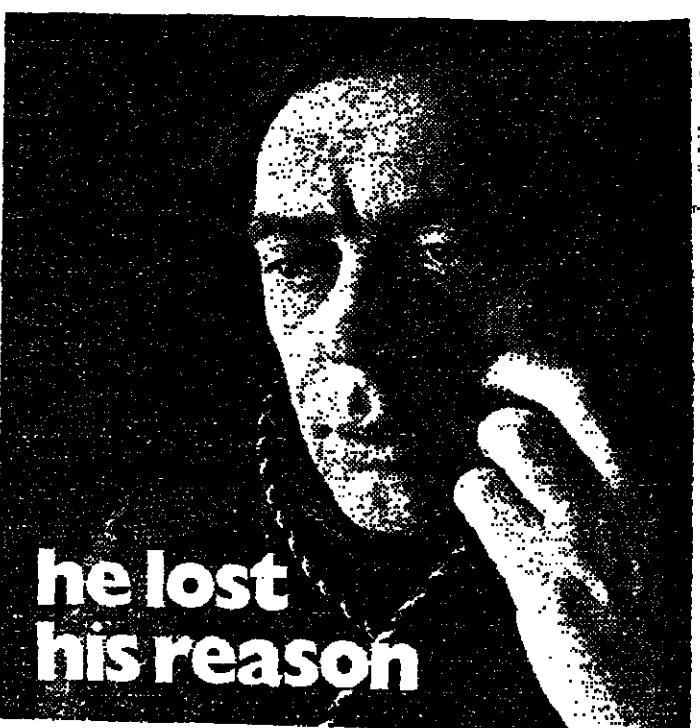
Questioned about this Prime Minister Joop den Uyl explained that the new sentence was a compromise between the Christian-Democrats and the Leftists in his Government. A Labour Member explained: "It does not mean that this Government does not believe in God, but it means that this Government does not believe in clichés."

...and Dutch records

EMI, the world's largest record company, is sometimes accused by cognoscenti of being less successful at rearing its own talent than selling other people's, either under licence, or simply as a distributor. True: it had the Beatles under direct contract and now has them as individuals. Later it nurtured Pink Floyd. But its most startling success, the Tamla Motown label, over 10 per cent of total sales, was "bought" talent and so are many others among its big sellers. So it was no surprise, when a new managing director of EMI Records was appointed a year ago, that a policy of signing up more young singers was adopted.

Forty new artists have been taken on in a year, and one of them called Bobby McGee, just in case you did not know, is now what's called "a breaker": that means just about to break into the Top 50. There are also

Sergeant J*n*k*n was hit on the head



After 3 years in the last war, after keeping the peace in Kenya, after seeing through the evacuation of Aden, Sergeant J*n*k*n was hit on the head. With a stone.

He lost his reason.

He has been with us ever since he was invalided home. Sometimes in hospital, sometimes in our Convalescent Home—wherever he is, we look after him. We provide work in a sheltered industry, so that he can live without charity. One day, he'll probably enter our Veterans' Home for good, still thinking that the next man in the street is about to attack him. Every year brings in more and more deserving cases like Sergeant J*n*k*n. And every year our costs go up.

If we are to survive in '75, we must have more funds. We're doing everything we can, but in the end it depends upon what you can afford to give.

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Observer

COMPANY NEWS + COMMENT

BSR £2m. ahead at half way

ON A TURNOVER of £24.44m. against £22.2m. profits of BSR, the Monarch record changer and Swan Brand electric kettle group have advanced by almost £2m. to £5.32m. in the six months ended June 30, 1973.

The 1973 figures include those of Audio Dynamics Corporation and Goblin (BVC) which were acquired in January and February respectively.

The profits were struck after a loss on exchange of £134,502 (£123,553). Provided exchange rates for sterling to the major currencies do not vary markedly between now and December 31 the exchange loss should be more than recovered by the year-end, the directors state.

Of the sales total the sound reproduction companies contributed £24.39m. (£17.97m.) with the balance of £1.04m. from the consumer products division (£3.25m.). The trading profit increased from £5.48m. to £5.47m. of which £2.44m. (£2.75m.) was earned by the sound reproduction companies with the consumer products contributing £1.03m. (£2.72m.).

Although the results of the sound reproduction companies were not influenced in any material extent by the gas strike earlier this year, the directors say that this was not the case for the consumer products side where sales and profits were adversely affected.

In general demand has been buoyant during the first half for all products and in the case of the sound reproduction companies, this was worldwide.

A similar situation applies to the current period where demand for record changers and other allied mechanisms is even stronger, members are told.

However the U.K. economy is again experiencing a rapid rate of cost inflation linked with shortage of raw materials, a tight labour position, and an unsettled money market, and the directors feel it is questionable whether or not the adverse effect of these factors on company profits and the economy will be reduced over the next few months.

As far as BSR is concerned, steps have already been taken to expand production in other areas and greater emphasis is being placed on the acceleration, wherever possible, of capital investment programmes in new plant and machinery.

	1972	1973
Turnover	22,200	24,440
Trading profit	5,480	5,470
Dividends and int.	415,451	149,247
Interest paid	30,954	21,063
Loan interest	2,794	2,794
Exchange loss	14,502	127,352
Profit	8,338,102	6,384,653
Taxation	2,240,401	1,927,736
Net profit	6,097,701	4,456,917
Attributable	5,006,094	3,654,745
Minority	1,091,607	802,172

Statement Page 25
See Lex

HIGHLIGHTS

The first-half figures from British Insulated Callender's Cables are up to best expectations and the shares held firm after the news; BSR first-half profits are also well ahead of last time but the shares eased a couple of pence. These are examined in the Lex column, along with the Bank of Scotland's interim figures and the latest turn in the Ellis and Everard situation, revealing that E and E has been having talks with ICI. Meantime Unilever is urging E and E shareholders to accept the offer. Elsewhere British Oxygen at the nine-months' stage shows profits up by a quarter but the shares were lower on the news; Group Lotus at half-time is also ahead by a quarter; but G. Stibbe profits have fallen away. Full-term results from John Haggas look better than half-time estimates had suggested and Matthew Clark's results are up by a third. On the Bids scene London and County is seeking talks with Inveresk Paper.

Group Lotus first half growth

FIRST-HALF 1973 (25 weeks) turnover of Group Lotus Car Companies increased to £3,865,000, compared with £2,748,000 for 26 weeks, and pre-tax profit advanced from £311,000 to a record £560,000. The figures for the year 1972 were £5,853,000 and £1,126,000 respectively.

The half-year saw the successful phasing out of component cars as planned without loss of revenue. Production of the 2-litre engines for the Jensen Healey increased and made an initial contribution to profits, the directors state.

And they report that demand for the group's products continues to be strong in both home and overseas markets.

The maximum permitted interim dividend of 1.47p per 10p share equivalent to 2.1p gross (2.0p) is declared. The 1972 total was 4.4286p gross.

Net profit, after tax for the period, was £383,000 (£207,000). Cost of the interim dividend is £34,899.

Group Lotus's half-time statement has probably caused most analysts to downgrade their earlier forecasts for the current year because, although first-half profits have risen by 29 per cent. pre-tax, profit margins have slipped by 11 points to around 17 per cent. This suggests that the £11m. pre-tax which seemed on the cards when, in the last annual report, the group forecast that annual turnover would be in excess of £8m. is now out of reach. Indeed, if first-half margins are maintained, as seems likely, such a turnover would produce profits of £1.57m. for the year. However, even at this reduced level of profit, the prospective p/e at 7.5p is only 61, which seems to be taking little

account of the recovery in U.K. registrations which the group is now apparently enjoying (after a slump in July) or the booming conditions which it is experiencing in the U.S. and Europe.

Statement Page 14

Stibbe sees less profit this year

THE DIRECTORS of industrial knit machinery manufacturers G. Stibbe and Co. state that the group is "not realising its full potential" and profits for 1973 "will be less than that of 1972" when a taxable figure of £973,000 was reported.

On turnover down slightly from £3.13m. to £2.9m., group pre-tax profit for the six months to June 30, 1973, contracted sharply from £746,000 to £216,000.

However, the directors are sufficiently confident to maintain the interim dividend at 1.4p net, equal to 2p gross. The previous total was 4.173p.

The half-year profit is after interest £203,000 (£142,000), and before tax £200,000 (£238,000).

As mentioned in the annual statement in May, the process of moving had its effect on the profits of the main operating subsidiary, Stibbe Machinery.

At the same time changes in the pattern of demand have made it necessary to accelerate the introduction of a completely new range of circular knitting machines, and this has caused additional delays in the normal flow of production, the directors state.

In spite of these transitory problems, the underlying trends appear favourable. Order books for circular and fully fashioned knitting machines are satisfactory.

comment

Profits before interest charges at G. Stibbe have fallen by

£469,000—more than half—as the result of a £180,000 fall in turnover. On the news, the shares dropped 5p to 43½, a long way from the 1972 level of 150p. With a depressed share price and a position of illiquidity, any major diversification of the Company must be some way off, so prospects for recovery lie in quick stabilisation at the new factory and disposal of the old premises to reduce borrowings. On the positive side, Stibbe is faced with an upturn in the demand cycle and has exports accounting for about 75 per cent. of turnover. For the moment, though, the shares remain speculative.

Matthew Clark up by £0.38m.

TAXABLE PROFITS of Matthew Clark & Sons (Holdings), wine and spirit shippers and merchants, show an advance from £1,108,655 to £1,489,699 in the year ended April 30, 1973.

At the interim stage the directors said they anticipated the final result would exceed the figures of 1971-72 and that the four months of the year would not contribute as high a proportion of the total as in that year. Both forecasts have been shown to be correct, they state.

Sales of all group products equalled or exceeded those of 1971-72, with particularly satisfactory growth in the imported table wine and British wine sections.

Demand for all the group's products continues to show an encouraging increase and the directors anticipate that current-year results while not showing a commensurate increase should show an improvement on the 1972-73 figures.

The dividend is raised from 3.575p to a gross equivalent of 3.735p per 25p share. The final is 2.55p net, equal to 3.476p gross, the maximum permitted.

Turnover rose from £7,300,391 to £8,145,891 and profit before tax from £1,230,498 to £1,489,699.

Profit before tax was £1,230,498 (£1,230,498) and after interest £1,037,300 (£1,037,300).

As mentioned in the annual statement in May, the process of moving had its effect on the profits of the main operating subsidiary, Stibbe Machinery.

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comment

Profits before interest charges at G. Stibbe have fallen by



Mr. Ralph Ehrmann, chairman of Airfix Industries, at yesterday's annual meeting in London where he disclosed that the group was making progress broadly in line with expectations.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corrected dividend	Total last year
Biddle Higgs	2(c)(t)	Oct. 19	—	—
British Insulated Callender's Cables	3(f)(t)	Jan. 1	2.75	8.13
Peter Brotherhood	6.25(c)	Oct. 24	8.75	9.25(c)
BSR	7.5(b)	Nov. 20	7.25	26.24
Lafarge	1.26(b)(t)	—	1.2	2.87
Low and Brydone	nil	—	5	nil
Pirelli General Cable	6	Jan. 2	6	12
Ricardo (Engineers)	18.35(g)	—	17	28.35
Barry Vincent	2.67(d)(t)	—	2.5	3.67
Yorks. Fine Woollen	—	—	—	—
Spinners	4.29(j)	Jan. 1	—	10
Bank of Scotland	10.71(i)	Oct. 15	10	31
Matthew Clark	3.88(i)	Oct. 15	3.5	5.73
Falcon Mines	21.5(p)	Nov. 17	20	31.5
Johnson Cooper	2.37(k)	Nov. 30	2	3.5
Group Lotus	1.47(m)	Jan. 1	2	4.43
John Haggas	4.5(j)	—	3.5	8.5
Johnson Construction	0.73(n)	Oct. 31	—	7.5
Lookers	1.4(l)	Jan. 1	2	4.18
G. Stibbe	1.47	Oct. 12	1.75	4.83
Trust and Agency	1.23(o)	—	7.5	10
Cedar	7.5(t)	Nov. 27	24	37
John Haggas	25(s)	—	—	—

Notes: (a) After allowing for scrip issue. (b) Pence per share. (c) On capital increased by rights and/or acquisition issues. (d) Net equal to last year's gross. (e) Gross of 4.375p. (f) Gross of 5.25 per cent. (g) Including 1 per cent. as compensation for late payment due to tax reasons. (h) Gross of 1.875p. (i) Net—made public May 1973. (j) Gross of 2.1p—to reduce disparity. (k) Gross of 12.545 per cent. (l) Gross of 0.88p. (m) Gross of 2 per cent. (n) Gross of 1.75p. Total of not less than 6p forecast. (o) Gross of 1.47p. (p) Corrected—net as forecast in June prospectus. Total of 2p net then indicated. (q) Gross of 7.5 per cent. (r) Declared in Rhodesian currency. (s) Gross of 3.15 per cent. (t) Gross of 2.65p. (u) Gross of 17.5 per cent. (v) Gross of 5.25 per cent.

sources of supply involving new mills in new countries with all the difficulties and problems attaching to such enterprises. Reporting consolidation and improving methods on the manufacturing side he says additional factory space is being created in Rainham, Essex, and in Chesham, Mon., while in Pocklington, Yorks, a large plant is being installed to meet the increasing demand for pretreatment of timber.

Phoenix Preservation, specialising in dry rot eradication and pest control, will be further expanding this year with the opening of additional branches, he adds.

As reported on August 31, group profit, before tax rose from £283,867 in the previous year to £1,108,171 in the nine months to March 31, 1973, and the gross dividend is 13.875 per cent. (17 per cent. for the year).

Meeting, Rainham, October 11, noon.
Chairman's Statement Page 16

Recovery by Johnson Construction

The final dividend from Johnson Construction Equipment Group is being raised from 3.5 per cent. to 5 per cent. gross on the improvement in pre-tax profit from £70,254 to £108,423 for the year to March 31, 1973. This lifts the total payment to 8.5 per cent. against 7.5 per cent.

At half-time, pre-tax profit was £80,093, compared with £55,904 and an unchanged 4 per cent. interim was paid.

Tax is charged at £43,125 (£27,013) and after minorities attributable profit is £37,503 (£40,238). Dividend cost is £24,900 (£31,500).

comment

Cedar's merger with Amalgamated Securities was the signal for the former's premium rating to come to an end, and this year Cedar's share price has dropped from 90p to 31p. The 1972-73 results now provide part of the explanation.

As far as can be judged, the June forecasts have been missed, for Cedar was going for £1.7m. before tax while at AS the expectation for the year to August was at least £283,000 after tax and a transfer from reserve. Cedar has apparently brought in 11 months of AS (say a net £236,000 adjusting for forecast) and the group pre-tax total is just £191m. As for earnings, Cedar's own version is a decline of one-tenth to 2.5p on average capital, while full conversion of the £18m. of loan stocks points to a net 2.1p for a p/e of 14. The obvious support is the way in which deposits have very nearly trebled this year.

Phoenix Timber progress

Turnover of The Phoenix Timber Company for the first four months of the current year has continued at a satisfactory rate and all indications point to a continuation of profitable trading, says the chairman, Mr. A. B. Gourvitch.

The company is experiencing a pronounced excess of demand over supply, but large quantities of timber and sheet materials have been secured.

Mr. Gourvitch stresses that to increase the company's profitable becomes essential to find new

Dividends and interest: 230,169 231,615
Profit: 19,165 25,251
Other income: 25 25
Expenses: 14,548 14,121
Includes £41,250 relating to dividends
divorced from 1972 for tax reasons.
Less losses on realisation of investment.

The figures of asset value per Ordinary share are based on the middle market values of the investments and include the full increase in the dollar premium amounting on June 30, 1973, to 10.51p per share.

Bank of Scotland first half advance

IN THE HALF year ended August 31, 1973, taxable profits of the Bank of Scotland expanded by £3.8m. to £18.8m. and the directors are hopeful that this impetus can be maintained in the second half.

They explain that the higher profit is largely attributable to increased resources, in particular the proceeds of some £19m. from the recent rights issue. This together with an increase in traditional profits, the directors claim, has enabled the bank to meet the sustained demand for advances.

Higher interest rates have operated to the bank's advantage but reliance on the wholesale market for deposits is tending to become greater and this is leading to narrower margins, state the directors.

Moreover, expenses are rising, and there also has to be reckoned with the recently announced request for further restraint in certain avenues of lending.

The interim dividend is 7.5p net per £1 share—equal to 10.71p gross (10.5p). The total for 1972-1973 was 21 per cent., paid from profits of £18.8m. (£2.17m.).

After tax of £4.64m. (£2.17m.), the first half net profit emerged at £4.55m., compared with £3.19m. from which is deducted nil (£200,000) additional provision for bad and doubtful debts.

See Lex

Even though there has been implied deterioration in profitability the first quarter of the current year, the directors expect that the increased trading conditions to be even more competitive, they expect that the increased activity, resulting from heavy capital expenditure, enable margins to be maintained.

comment

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Do you go to Board meetings hoping nobody will ask these questions?

- 1 How much of our capital is tied up in our transport fleet?
- 2 How much is depreciation costing us a year?
- 3 How many breakdowns/accidents did we have last year?
- 4 How many men were kept off the road by them?
- 5 How much did hiring replacement vehicles cost?
- 6 How many man-hours (at what cost) do we spend on choosing, authorising purchase, licensing, servicing, maintaining, keeping records on, and selling our fleet?

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NTMENTS

Executive posts at hos. W. Ward

Mr. J. Smith, Mr. Clive BARCLAYS BANK. Mr. Andrew Mr. Barry Whitworth takes up his new appointment as an executive director of the London Northern directors have also been appointed. Mr. Andrew Curtis will be a local director of the Dar- Mr. P. Allen Wood, Mr. Hington local head office, and Mr. Mr. Eric D. Powell, the London Eastern District.

Mr. J. W. K. Penhaligon at a director of present director of marketing, Mr. P. Allen Wood, has been appointed director of marketing, SEGAS from November 1.

Mr. Ivan Goldberg has been appointed a director of L.L.O., a subsidiary of the Allied Polymer Group.

Mr. R. A. Gascoyne, Mr. J. H. M. Stoin and Dr. P. G. Whiteley have been appointed directors of GR-STEIN REFRACOR, a subsidiary of Hopworth Ceramics and Matters, Page 22

Mr. D. H. E. Pries and Mr. R. J. Graham have been appointed directors of HONG KONG AND SHANGHAI BANKING CORPORATION.

Mr. Vernon Cobb has been appointed a director of MACOWARDS, responsible for the Mail District of finance.

THE MUAR RIVER RUBBER COMPANY LIMITED
APPOINTMENT OF NEW REGISTRARS
The Royal Bank of Scotland Ltd.
Registrar's Department
P.O. Box 27,
36 St. Andrew Square
Edinburgh EH2 2YB
THOMAS BARLOW & BRO.
Secretaries

KONG RUBBER COMPANY LIMITED
APPOINTMENT OF NEW REGISTRARS
The Royal Bank of Scotland Ltd.
Registrar's Department
P.O. Box 27,
36 St. Andrew Square
Edinburgh EH2 2YB
THOMAS BARLOW & BRO.
Secretaries

As the world grows smaller, we've grown larger.

fact, Sumitomo rust can fer you mplete rvices in very field of international anking, specially foreign change, syndicate

loans and arrangements for bond issues. Contact us at any of the offices listed below, and we shall be happy to show you how we can help your business grow.

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LONDON REPRESENTATIVE OFFICE: 1, Marunouchi 3-chome, Chiyoda-ku, Tokyo, Japan. TEL: 03-221-0661 Telex: 328631
NEW YORK REPRESENTATIVE OFFICE: 1, Marunouchi 3-chome, Chiyoda-ku, Tokyo, Japan. TEL: 03-221-0661 Telex: 328631
JAPAN REPRESENTATIVE OFFICE: 1, Marunouchi 3-chome, Chiyoda-ku, Tokyo, Japan. TEL: 03-221-0661 Telex: 328631

Lanarkshire stakes claim for new BL car plant

BY CHRIS BAUR, SCOTTISH CORRESPONDENT

GLASGOW, Sept. 18.

LANARKSHIRE COUNTY Council today staked its claim for the major new car plant being planned by British Leyland. It has sent Lord Stokes, BL chairman, a detailed report suggesting a 600-acre site at Newhouse as "a uniquely attractive location" for the project which was proposed earlier this year as part of British Leyland's £500m. investment programme. The report has been circulated as well to Government departments, MPs, industrial organisations and trade unions. The county hopes that its site will become the focus of a Scottish campaign to win the motor project. Councilor Robert Wilson, Lanarkshire's Industrial Development Committee chairman, said today that as the key industrial area in Scotland the county was a logical location for the plant which could offer up to 8,000 new jobs. The county, he said, had deliberately kept the 600-acre green belt site "up its sleeve" for a major single industrial investment of this sort and had resisted the temptation to use it for smaller projects. The Scottish TUC and the Scottish Council (Development and Industry) have both announced that they will support efforts to persuade British Leyland to locate the new plant in Scotland. Lanarkshire's report stresses two assets: labour availability and communications. Located in a special development area which offers the fullest range of Government financial assistance, the Newhouse site would give access to a higher proportion of skilled manual workers than in any area outside Tyneside and the West Midlands. The report states that the county's managerial capacity in engineering and allied trades is the highest of any development area in the country. With one of the fastest population growth rates in Britain during the last two decades, the county expects its labour force to grow by between 12,000 and 16,000 in the next eight years. In addition, trainable labour will become available as the British Steel Corporation closes obsolete works over the next eight years, shedding up to 6,500 steel workers largely in the steel-making centres of Lanarkshire. On transport, the report states that the Newhouse site is "at the crossroads of Scotland's motor way network" with the major Midlands cities only four to six hours away "without meeting a traffic light." The site is also on the west coast rail route to London which will be electrified next year.

M5 motorway near Exeter route approved

The route of the final three and a-half mile stretch of the M5 motorway near Exeter has been confirmed by Mr. John Peyton, the Minister for Transport industries following two public inquiries held last February at Exeter. Most opposition to the route was connected with the proposed A30 link road through the parish of Ide. Other objections concerned sections of the M5 route and the A38 link. The Minister says he is now satisfied that the published routes for the M5, A30 and A38 links are the best. Contracts are expected to be let by the end of the year and the entire motorway will be open by the end of 1975, according to the Department of the Environment.

MATTHEW CLARK & SONS (HOLDINGS) LIMITED

The Directors announce the following preliminary figures for the year's trading to 30th April 1973.

	1973	1972
Turnover	27,969,101	24,125,904
Less Customs and Excise Duty	12,305,486	11,875,669
Turnover less duty	15,663,615	12,450,235
Profit before Taxation	1,489,699	1,108,855
Taxation	614,035	446,117
Profit attributable to minority Shareholders	114,360	103,400
Extraordinary items	19,351	—
Net Profit attributable to members of the company	741,750	559,138
Preference Dividends already paid	13,996	18,923
Dividends on 25p Ordinary Shares	1973	1972
Interim	1.50	1.50
Final recom- mended	2.63	3.876
Profit retained	569,360	318,514

The Annual General Meeting will be held on Thursday, 25th October, 1973 at 11.30 a.m. at Winchester House, 100 Old Broad Street, London, E.C.2.

The demand for all the Group's products continues to show an encouraging increase but imponderables in the state of the country's economy coupled with the ever increasing cost of imported raw materials and finished goods make forecasting difficult. It is nevertheless anticipated that results for the current year, whilst not showing a comparable increase should show an improvement on the above figures.

18th September, 1973.

This announcement appears as a matter of record only.

\$600,000,000
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Ekofisk Transportation System and processing facilities

The borrowers are:

(1) Norpipe A/S (\$370,000,000)
(2) Norpipe Petroleum UK Limited (\$130,000,000)

each owned 50/50 by:

Den norske stats oljeselskap a.s (Statoil)

and

The Phillips Group

(3) Norsea Pipeline Limited (\$100,000,000)

owned by:

The Phillips Group

consisting of:

Phillips Petroleum Company Norway
Amerihag Petrofina Exploration Company of Norway
Norsk Agip A/S
Elf Norge A/S
Aquitaine Norge A/S
Cofarex Norge A/S
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The Norwegian Banking Group for Petroleum Financing (consisting of) Andresens Bank A/S, Bergens Privatbank, Christiania Bank og Kreditkasse, Den norske Creditbank, Fellesbanken A/S)

The Royal Bank of Canada Security Pacific National Bank Société Générale de Banque S.A. Swiss Bank Corporation Tradinvest Bank and Trust Company of Nassau Ltd. United California Bank Wells Fargo Limited Westdeutsche Landesbank Girozentrale

WHEAT AND RAW MATERIALS

Wheat beet pulp price lemics

ter Bullen

BEET growers who buy beet pulp from the Sugar Corporation for feed have complained about an increase in price from £24.50 a ton last year to £31.50 a ton this season. The increase has been explained by the Farmers' Union and has been suggested by the Sugar Corporation but as an agricultural beet pulp does not come under the Commission's jurisdiction.

The NPU reinforced its explanation that the price was raised because of a shortage of beet pulp. It pointed out that beet pulp is a by-product of the sugar-making process and that its price is determined by the cost of the sugar. The NPU also pointed out that the price of beet pulp is not a fixed price but is subject to fluctuations in the market.

Tin prices reach peak on sharp buffer stock fall

BY ROBIN REEVES, COMMODITIES EDITOR

TIN PRICES hit a new all-time high on the London Metal Exchange yesterday as the market learned that the International Tin Agreement buffer stock had sold significantly more of its holdings than expected.

The International Tin Council, which started a three-day meeting in London yesterday, announced that its buffer stock holdings, as of September 18, stood at 4,520 metric tons. This compares with 10,058 metric tons held on July 30. The new figure reached the LME shortly before the end of Ring dealings, and it gave a further boost to sentiment in an already very steady market.

After trading at £2,070, cash tin closed at £2,065, a metric ton, 21.5 up on the day. While three months delivery tin was £24.5 higher at £2,030.5 a ton.

Earlier in the day the tin market ignored the equivalent of a £20 drop in the overnight futures quotation and moved ahead on the physical buying from the Continent, Scandinavia and London, plus speculative buying and short-covering underpinned by the continuing shortage of nearby supplies.

Another factor was the opening of the ITC meeting which has increased speculation that the 29 producing and consuming countries taking part may agree on an upward adjustment in the price range governing purchases and sales in and out of the International Tin Council buffer stock.

U.S. stockpile

However, the Council may prove inhibited from coming to a decision at this meeting until its has clearer idea of the U.S. General Services Administration's intentions to handle tin disposals from the U.S. national stockpile.

Whereas the original plan envisaged sales of only 8,500 tons a year, the GSA now has congressional authority to sell up to 43,295 tons and is still deciding its disposal programme. The GSA has apparently asked the ITC for its reaction to a stepping up of sales and moreover is said to have indicated that it will take the Council's view into account in formulating its long-term disposal programme. But until U.S. intentions are known more fully, any move on price

ranges by the council may be in danger of being undermined in the market place.

In contrast to tin, copper fell back yesterday, the cash price ending at £21 lower at £811 a ton, while three months delivery metal ended the day at £792.5 a ton, £16 down.

The copper market remains highly speculative and liable to fluctuations in either direction. But yesterday's losses were attributed to the impression that Chile is settling down after last week's violent coup more quickly than originally expected. In these circumstances, the bearish atmosphere which prevailed before Allende's fall is once again beginning to creep back into the copper market.

In the zinc market, three months delivery metal was reported to have traded at a new peak price of £417 a ton, and cash was quoted at a new high of £42.5 a ton. The continued tightness in supplies. However, by the close of the day's business, prices were showing small net losses as also were lead prices.

U.K. wheat seed for France

By Our Commodities Staff

BRITAIN has broken into the French wheat growing industry with an export order of 2,000 tons of winter wheat seed worth almost £250,000.

The wheat, Maris Huntsman, was bred by the State-aided Plant Breeding Institute and delivered to the National Seed Development Organisation at Cambridge.

The 2,000-ton order (sufficient to drill 28,000 acres) followed the outstanding performance achieved by the variety in trials at Versailles and other French testing stations, said the NSDO.

Mr John Cooke, NSDO varieties development executive, said it was the start of a move which could establish British bred varieties on the Continent.

"This is the first export order of this kind since 1945," he added, and indeed the first time that a British winter wheat has been accepted in France," he added.

Another British variety, Maris Nimrod, has been placed on the Belgian recommended list and the NSDO said it was "selling well."

Rising world oilseed crop should bring lower prices

BY OUR COMMODITIES STAFF

WORLD PRODUCTION of oilseeds should reach a record 123.5m metric tons in the 1973-74 season, according to the latest detailed analysis by the Journal Oil World Weekly.

This 11 per cent. increase in output will mean a sharp rise in carryover stocks next autumn giving a more favourable picture. Certainly, there is virtually no chance of consumption increasing to absorb the extra supplies presently envisaged.

"In fact, we believe that in the long-run view, that is, for the next five to six months, we will see still considerably lower prices for oilseeds, meals and food oils than we have today," the journal declares.

A sizeable drop in output of cottonseed is expected in Pakistan and Mexico owing to the recent adverse weather in the U.S. because of a decline in plantings and in Brazil because of a switch to soybeans. The drop will be partly offset by increases in China, India and other countries to give a total production figure of 21.1m. tons.

Virtually all the increase from 10.1m. tons last year to 11.1m. tons in 1973-74 in the output of groundnuts is expected from India where good monsoon rains should boost yields and total production will be higher in spite of a 7 per cent. cut in plantings.

Expansion in the sunflower-seed acreage in Russia plus an improvement in yields should lead to a 0.75m. ton increase in the 5.1m. tons Russia will contribute to the 10.1m-ton world

production. Outside Europe, production is expected to decline, especially in the U.S.

One area where production appears static is oilseed rape which should yield 7.25m. tons for the second successive year with a drop in output in France and Canada - being matched by increases in Poland and Sweden. Scaresmised output of just under 2m. tons is also unlikely to show little change.

Castor beans

Another 0.25m. ton fall in corn output similar to the drop last season will bring world output down to 3.75m. tons. The main cause has been drought in the Philippines where rainfall in Mindanao, the main producing area, was half the normal quantity.

Castor beans output should reach a new record of just under 1m. tons following the boost to plantings given by attractive prices since 1969. World production will remain disappointingly low although slightly up on last year at 2.5m. tons. Production of palm kernels has only gradually recovered from the decline two seasons ago but should reach a new record of just under 1m. tons.

Record Indian jute stocks

BY P. C. MAHANTI

STOCKS of Indian jute goods rose further by 10,000 tonnes compared with the figure at the end of August to 139,000 tonnes - an all-time record.

The increase is attributed to unsatisfactory export and domestic demand during the month. Due to normal working of mills, production of jute goods also rose but only by 3,500 tonnes as power cuts continued to affect the industry's output.

Following the Government's recent decision to grant jute goods substantial export duty relief, overseas inquiries for jute goods became quite keen in the first week of September. But as sharp increases immediately took place in the jute market to take advantage of the better demand outlook, this generally neutralised the beneficial effects of the fiscal relief for foreign buyers. Few inquiries have materialised in the form of definite export contracts.

Elsewhere, North India jute output continued to show a rising trend, the production figure at the end of August recording a rise of 3.7m. kilos over the previous month to 63.2m. kilos. In the first eight months of

this year, output amounted to 5.8m. kilos, higher than in the comparable period last year. Although brisk tea shipments to the U.K. and other destinations during July and August have been reported, there is no statistical evidence yet that exports have in fact begun to pick up sufficiently to make up for the decline in the first half of the year.

On the other hand the current go-slow and other forms of

Less cereals in livestock rations

By Our Commodities Staff

MINISTRY of Agriculture surveys on livestock rations last year showed a slight reduction in overall cereal usage and a compensating increase in vegetable proteins and other ingredients.

Within the overall cereals content there were marked changes in the use of individual cereals. In dairy rations more wheat was used but less was put into poultry feeds. In pig rations more maize went into rearing and finishing diets but less in feeds for pregnant and lactating sows while the reverse trend was noted for barley and wheat ingredients.

In the proteins sector, the larger quantities of vegetable proteins were included at the expense of animal protein. Fish and herring meal in particular gave way to soya.

The Home Grown Cereals Authority which published the survey results said that they would form a base point from which trends in feed could be measured as the U.K. faces progressively changing ingredient prices.

The spectacular behaviour of protein and cereal supplies and prices over the past few months are bound to provide the HGCA with some significant changes in feed formulations for 1973.

Cost warning to contract potato farms

POTATO producers are being warned to carry out "rigorous" production cost projections for 1974 before signing new contracts with processors.

The advice came yesterday from the Processed Vegetable Growers Association - which represents growers' interests. It said that costs - particularly labour - had rocketed in the past year or two. Labour costs rose

by an estimated 23.3 per cent. between 1972 and 1973. Other input costs have risen as follows: potato harvesters - up by a third between 1971 and 1973; fertilisers (15:15:20) - up 7 per cent. from £34.50 a ton in 1972 to an estimated £36.50 a ton in 1974; seed (record variety) - up from £34 a ton in 1972 to an estimated £41.40 a ton in 1974.

Better farm insurance call

BY OUR OWN CORRESPONDENT

IMPROVED CROP insurance facilities have been called for at the annual meeting in Interlaken of the European Confederation of Agriculture (CEA). In a resolution, delegates stated that income-guarantee insurance was "not particularly suitable" for agricultural undertakings and spoke in favour of a flexible and voluntary system covering natural crop damage and certain other risks.

The meeting urged a development of insurance programmes in this direction, with close co-operation between producer organisations and insurers and increased Government support. Governments should provide funds to enable insurers to extend risk coverage for agricultural crops.

On milk and meat markets in Europe, the CEA stressed the importance of regaining a balance in the milk market and meeting rising beef demands. It backed schemes giving premiums to encourage farmers to switch from milk to beef production and also called for the introduction of a standardised and objective classification and quotation system.

Among other resolutions was one for more Government support for forestry through adjustments in fiscal, credit, promotion, transport and general economic policies. Governments were also urged to pay compensation for forestry costs and losses arising from environmental control measures.

COMMODITY MARKET REPORTS AND PRICES

BASE METALS

Base metals continued to show a general upward trend in the London Metal Exchange yesterday. Copper, which had been trading at a discount to the LME, closed at a premium of 1.5 pence. Tin, which had been trading at a discount, closed at a premium of 1.5 pence. Lead, which had been trading at a discount, closed at a premium of 1.5 pence. Zinc, which had been trading at a discount, closed at a premium of 1.5 pence. Nickel, which had been trading at a discount, closed at a premium of 1.5 pence. Aluminium, which had been trading at a discount, closed at a premium of 1.5 pence. Magnesium, which had been trading at a discount, closed at a premium of 1.5 pence. Manganese, which had been trading at a discount, closed at a premium of 1.5 pence. Selenium, which had been trading at a discount, closed at a premium of 1.5 pence. Tellurium, which had been trading at a discount, closed at a premium of 1.5 pence. Vanadium, which had been trading at a discount, closed at a premium of 1.5 pence. Zirconium, which had been trading at a discount, closed at a premium of 1.5 pence. Niobium, which had been trading at a discount, closed at a premium of 1.5 pence. Molybdenum, which had been trading at a discount, closed at a premium of 1.5 pence. Cobalt, which had been trading at a discount, closed at a premium of 1.5 pence. Cadmium, which had been trading at a discount, closed at a premium of 1.5 pence. Barium, which had been trading at a discount, closed at a premium of 1.5 pence. Strontium, which had been trading at a discount, closed at a premium of 1.5 pence. Bismuth, which had been trading at a discount, closed at a premium of 1.5 pence. Antimony, which had been trading at a discount, closed at a premium of 1.5 pence. Arsenic, which had been trading at a discount, closed at a premium of 1.5 pence. Selenium, which had been trading at a discount, closed at a premium of 1.5 pence. Tellurium, which had been trading at a discount, closed at a premium of 1.5 pence. Vanadium, which had been trading at a discount, closed at a premium of 1.5 pence. Zirconium, which had been trading at a discount, closed at a premium of 1.5 pence. Niobium, which had been trading at a discount, closed at a premium of 1.5 pence. Molybdenum, which had been trading at a discount, closed at a premium of 1.5 pence. Cobalt, which had been trading at a discount, closed at a premium of 1.5 pence. Cadmium, which had been trading at a discount, closed at a premium of 1.5 pence. Barium, which had been trading at a discount, closed at a premium of 1.5 pence. Strontium, which had been trading at a discount, closed at a premium of 1.5 pence. Bismuth, which had been trading at a discount, closed at a premium of 1.5 pence. Antimony, which had been trading at a discount, closed at a premium of 1.5 pence. Arsenic, which had been trading at a discount, closed at a premium of 1.5 pence.

NON-FERROUS METALS

Non-ferrous metals continued to show a general upward trend in the London Metal Exchange yesterday. Copper, which had been trading at a discount to the LME, closed at a premium of 1.5 pence. Tin, which had been trading at a discount, closed at a premium of 1.5 pence. Lead, which had been trading at a discount, closed at a premium of 1.5 pence. Zinc, which had been trading at a discount, closed at a premium of 1.5 pence. Nickel, which had been trading at a discount, closed at a premium of 1.5 pence. Aluminium, which had been trading at a discount, closed at a premium of 1.5 pence. Magnesium, which had been trading at a discount, closed at a premium of 1.5 pence. Manganese, which had been trading at a discount, closed at a premium of 1.5 pence. Selenium, which had been trading at a discount, closed at a premium of 1.5 pence. Tellurium, which had been trading at a discount, closed at a premium of 1.5 pence. Vanadium, which had been trading at a discount, closed at a premium of 1.5 pence. Zirconium, which had been trading at a discount, closed at a premium of 1.5 pence. Niobium, which had been trading at a discount, closed at a premium of 1.5 pence. Molybdenum, which had been trading at a discount, closed at a premium of 1.5 pence. Cobalt, which had been trading at a discount, closed at a premium of 1.5 pence. Cadmium, which had been trading at a discount, closed at a premium of 1.5 pence. Barium, which had been trading at a discount, closed at a premium of 1.5 pence. Strontium, which had been trading at a discount, closed at a premium of 1.5 pence. Bismuth, which had been trading at a discount, closed at a premium of 1.5 pence. Antimony, which had been trading at a discount, closed at a premium of 1.5 pence. Arsenic, which had been trading at a discount, closed at a premium of 1.5 pence.

PRECIOUS METALS

Precious metals continued to show a general upward trend in the London Metal Exchange yesterday. Gold, which had been trading at a discount to the LME, closed at a premium of 1.5 pence. Silver, which had been trading at a discount, closed at a premium of 1.5 pence. Platinum, which had been trading at a discount, closed at a premium of 1.5 pence. Palladium, which had been trading at a discount, closed at a premium of 1.5 pence. Rhodium, which had been trading at a discount, closed at a premium of 1.5 pence. Iridium, which had been trading at a discount, closed at a premium of 1.5 pence. Osmium, which had been trading at a discount, closed at a premium of 1.5 pence. Ruthenium, which had been trading at a discount, closed at a premium of 1.5 pence. Technetium, which had been trading at a discount, closed at a premium of 1.5 pence. Yttrium, which had been trading at a discount, closed at a premium of 1.5 pence. Zirconium, which had been trading at a discount, closed at a premium of 1.5 pence. Niobium, which had been trading at a discount, closed at a premium of 1.5 pence. Molybdenum, which had been trading at a discount, closed at a premium of 1.5 pence. Cobalt, which had been trading at a discount, closed at a premium of 1.5 pence. Cadmium, which had been trading at a discount, closed at a premium of 1.5 pence. Barium, which had been trading at a discount, closed at a premium of 1.5 pence. Strontium, which had been trading at a discount, closed at a premium of 1.5 pence. Bismuth, which had been trading at a discount, closed at a premium of 1.5 pence. Antimony, which had been trading at a discount, closed at a premium of 1.5 pence. Arsenic, which had been trading at a discount, closed at a premium of 1.5 pence.

FREIGHTS

Freights continued to show a general upward trend in the London Metal Exchange yesterday. Coal, which had been trading at a discount to the LME, closed at a premium of 1.5 pence. Oil, which had been trading at a discount, closed at a premium of 1.5 pence. Gas, which had been trading at a discount, closed at a premium of 1.5 pence. Electricity, which had been trading at a discount, closed at a premium of 1.5 pence. Water, which had been trading at a discount, closed at a premium of 1.5 pence. Sewage, which had been trading at a discount, closed at a premium of 1.5 pence. Waste, which had been trading at a discount, closed at a premium of 1.5 pence. Recycling, which had been trading at a discount, closed at a premium of 1.5 pence. Landfill, which had been trading at a discount, closed at a premium of 1.5 pence. Incineration, which had been trading at a discount, closed at a premium of 1.5 pence. Composting, which had been trading at a discount, closed at a premium of 1.5 pence. Anaerobic digestion, which had been trading at a discount, closed at a premium of 1.5 pence. Pyrolysis, which had been trading at a discount, closed at a premium of 1.5 pence. Gasification, which had been trading at a discount, closed at a premium of 1.5 pence. Liquefaction, which had been trading at a discount, closed at a premium of 1.5 pence. Solidification, which had been trading at a discount, closed at a premium of 1.5 pence. Stabilisation, which had been trading at a discount, closed at a premium of 1.5 pence. Dewatering, which had been trading at a discount, closed at a premium of 1.5 pence. Drying, which had been trading at a discount, closed at a premium of 1.5 pence. Grinding, which had been trading at a discount, closed at a premium of 1.5 pence. Crushing, which had been trading at a discount, closed at a premium of 1.5 pence. Screening, which had been trading at a discount, closed at a premium of 1.5 pence. Sorting, which had been trading at a discount, closed at a premium of 1.5 pence. Washing, which had been trading at a discount, closed at a premium of 1.5 pence. Flotation, which had been trading at a discount, closed at a premium of 1.5 pence. Leaching, which had been trading at a discount, closed at a premium of 1.5 pence. Extraction, which had been trading at a discount, closed at a premium of 1.5 pence. Refining, which had been trading at a discount, closed at a premium of 1.5 pence. Smelting, which had been trading at a discount, closed at a premium of 1.5 pence. Casting, which had been trading at a discount, closed at a premium of 1.5 pence. Forging, which had been trading at a discount, closed at a premium of 1.5 pence. Rolling, which had been trading at a discount, closed at a premium of 1.5 pence. Drawing, which had been trading at a discount, closed at a premium of 1.5 pence. Annealing, which had been trading at a discount, closed at a premium of 1.5 pence. Tempering, which had been trading at a discount, closed at a premium of 1.5 pence. Heat treating, which had been trading at a discount, closed at a premium of 1.5 pence. Surface treatment, which had been trading at a discount, closed at a premium of 1.5 pence. Coating, which had been trading at a discount, closed at a premium of 1.5 pence. Plating, which had been trading at a discount, closed at a premium of 1.5 pence. Anodising, which had been trading at a discount, closed at a premium of 1.5 pence. Electroplating, which had been trading at a discount, closed at a premium of 1.5 pence. Electroless plating, which had been trading at a discount, closed at a premium of 1.5 pence. Powder coating, which had been trading at a discount, closed at a premium of 1.5 pence. Dip coating, which had been trading at a discount, closed at a premium of 1.5 pence. Spray coating, which had been trading at a discount, closed at a premium of 1.5 pence. Brush coating, which had been trading at a discount, closed at a premium of 1.5 pence. Roll coating, which had been trading at a discount, closed at a premium of 1.5 pence. Electrocoat, which had been trading at a discount, closed at a premium of 1.5 pence. Primer, which had been trading at a discount, closed at a premium of 1.5 pence. Topcoat, which had been trading at a discount, closed at a premium of 1.5 pence. Undercoat, which had been trading at a discount, closed at a premium of 1.5 pence. Sealer, which had been trading at a discount, closed at a premium of 1.5 pence. Adhesive, which had been trading at a discount, closed at a premium of 1.5 pence. Resin, which had been trading at a discount, closed at a premium of 1.5 pence. Ink, which had been trading at a discount, closed at a premium of 1.5 pence. Paint, which had been trading at a discount, closed at a premium of 1.5 pence. Varnish, which had been trading at a discount, closed at a premium of 1.5 pence. Lacquer, which had been trading at a discount, closed at a premium of 1.5 pence. Glue, which had been trading at a discount, closed at a premium of 1.5 pence. Sealant, which had been trading at a discount, closed at a premium of 1.5 pence. Adhesive, which had been trading at a discount, closed at a premium of 1.5 pence. Resin, which had been trading at a discount, closed at a premium of 1.5 pence. Ink, which had been trading at a discount, closed at a premium of 1.5 pence. Paint, which had been trading at a discount, closed at a premium of 1.5 pence. Varnish, which had been trading at a discount, closed at a premium of 1.5 pence. Lacquer, which had been trading at a discount, closed at a premium of 1.5 pence. Glue, which had been trading at a discount, closed at a premium of 1.5 pence. Sealant, which had been trading at a discount, closed at a premium of 1.5 pence.

GRAINS

Grains continued to show a general upward trend in the London Metal Exchange yesterday. Wheat, which had been trading at a discount to the LME, closed at a premium of 1.5 pence. Barley, which had been trading at a discount, closed at a premium of 1.5 pence. Oats, which had been trading at a discount, closed at a premium of 1.5 pence. Rice, which had been trading at a discount, closed at a premium of 1.5 pence. Corn, which had been trading at a discount, closed at a premium of 1.5 pence. Soybeans, which had been trading at a discount, closed at a premium of 1.5 pence. Beans, which had been trading at a discount, closed at a premium of 1.5 pence. Lentils, which had been trading at a discount, closed at a premium of 1.5 pence. Peas, which had been trading at a discount, closed at a premium of 1.5 pence. Chickpeas, which had been trading at a discount, closed at a premium of 1.5 pence. Mung beans, which had been trading at a discount, closed at a premium of 1.5 pence. Pigeon peas, which had been trading at a discount, closed at a premium of 1.5 pence. Cowpeas, which had been trading at a discount, closed at a premium of 1.5 pence. Black gram, which had been trading at a discount, closed at a premium of 1.5 pence. Green gram, which had been trading at a discount, closed at a premium of 1.5 pence. Horse gram, which had been trading at a discount, closed at a premium of 1.5 pence. Boro, which had been trading at a discount, closed at a premium of 1.5 pence. Triticale, which had been trading at a discount, closed at a premium of 1.5 pence. Spelt, which had been trading at a discount, closed at a premium of 1.5 pence. Emmer, which had been trading at a discount, closed at a premium of 1.5 pence. Farro, which had been trading at a discount, closed at a premium of 1.5 pence. Bulgur, which had been trading at a discount, closed at a premium of 1.5 pence. Couscous, which had been trading at a discount, closed at a premium of 1.5 pence. Orzo, which had been trading at a discount, closed at a premium of 1.5 pence. Farro, which had been trading at a discount, closed at a premium of 1.5 pence. Bulgur, which had been trading at a discount, closed at a premium of 1.5 pence. Couscous, which had been trading at a discount, closed at a premium of 1.5 pence. Orzo, which had been trading at a discount, closed at a premium of 1.5 pence.

MEAT/VEGETABLES

Meat and vegetables continued to show a general upward trend in the London Metal Exchange yesterday. Beef, which had been trading at a discount to the LME, closed at a premium of 1.5 pence. Pork, which had been trading at a discount, closed at a premium of 1.5 pence. Lamb, which had been trading at a discount, closed at a premium of 1.5 pence. Chicken, which had been trading at a discount, closed at a premium of 1.5 pence. Turkey, which had been trading at a discount, closed at a premium of 1.5 pence. Duck, which had been trading at a discount, closed at a premium of 1.5 pence. Goose, which had been trading at a discount, closed at a premium of 1.5 pence. Rabbit, which had been trading at a discount, closed at a premium of 1.5 pence. Fish, which had been trading at a discount, closed at a premium of 1.5 pence. Shellfish, which had been trading at a discount, closed at a premium of 1.5 pence. Poultry, which had been trading at a discount, closed at a premium of 1.5 pence. Game, which had been trading at a discount, closed at a premium of 1.5 pence. Vegetables, which had been trading at a discount, closed at a premium of 1.5 pence. Fruits, which had been trading at a discount, closed at a premium of 1.5 pence. Nuts, which had been trading at a discount, closed at a premium of 1.5 pence. Seeds, which had been trading at a discount, closed at a premium of 1.5 pence. Grains, which had been trading at a discount, closed at a premium of 1.5 pence. Legumes, which had been trading at a discount, closed at a premium of 1.5 pence. Cereals, which had been trading at a discount, closed at a premium of 1.5 pence. Oilseeds, which had been trading at a discount, closed at a premium of 1.5 pence. Protein concentrates, which had been trading at a discount, closed at a premium of 1.5 pence. Meal, which had been trading at a discount, closed at a premium of 1.5 pence. Bran, which had been trading at a discount, closed at a premium of 1.5 pence. Hulls, which had been trading at a discount, closed at a premium of 1.5 pence. Chaff, which had been trading at a discount, closed at a premium of 1.5 pence. Straw, which had been trading at a discount, closed at a premium of 1.5 pence. Hay, which had been trading at a discount, closed at a premium of 1.5 pence. Silage, which had been trading at a discount, closed at a premium of 1.5 pence. Molasses, which had been trading at a discount, closed at a premium of 1.5 pence. Dextrose, which had been trading at a discount, closed at a premium of 1.5 pence. Fructose, which had been trading at a discount, closed at a premium of 1.5 pence. Glucose, which had been trading at a discount, closed at a premium of 1.5 pence. Sucrose, which had been trading at a discount, closed at a premium of 1.5 pence. Lactose, which had been trading at a discount, closed at a premium of 1.5 pence. Maltose, which had been trading at a discount, closed at a premium of 1.5 pence. Trehalose, which had been trading at a discount, closed at a premium of 1.5 pence. Inulin, which had been trading at a discount, closed at a premium of 1.5 pence. Starch, which had been trading at a discount, closed at a premium of 1.5 pence. Dextrin, which had been trading at a discount, closed at a premium of 1.5 pence. Glycerol, which had been trading at a discount, closed at a premium of 1.5 pence. Ethanol, which had been trading at a discount, closed at a premium of 1.5 pence. Methanol, which had been trading at a discount, closed at a premium of 1.5 pence. Propanol, which had been trading at a discount, closed at a premium of 1.5 pence. Butanol, which had been trading at a discount, closed at a premium of 1.5 pence. Pentanol, which had been trading at a discount, closed at a premium of 1.5 pence. Hexanol, which had been trading at a discount, closed at a premium of 1.5 pence. Heptanol, which had been trading at a discount, closed at a premium of 1.5 pence. Octanol, which had been trading at a discount, closed at a premium of 1.5 pence. Nonanol, which had been trading at a discount, closed at a premium of 1.5 pence. Decanol, which had been trading at a discount, closed at a premium of 1.5 pence. Undecanol, which had been trading at a discount, closed at a premium of 1.5 pence. Dodecanol, which had been trading at a discount, closed at a premium of 1.5 pence. Tridecanol, which had been trading at a discount, closed at a premium of 1.5 pence. Tetradecanol, which had been trading at a discount, closed at a premium of 1.5 pence. Pentadecanol, which had been trading at a discount, closed at a premium of 1.5 pence. Hexadecanol, which had been trading at a discount, closed at a premium of 1.5 pence. Heptadecanol, which had been trading at a discount, closed at a premium of 1.5 pence. Octadecanol, which had been trading at a discount, closed at a premium of 1.5 pence. Nonadecanol, which had been trading at a discount, closed at a premium of 1.5 pence. Eicosanol, which had been trading at a discount, closed at a premium of 1.5 pence. Heneicosanol, which had been trading at a discount, closed at a premium of 1.5 pence. Docosanol, which had been trading at a discount, closed at a premium of 1.5 pence. Tricosanol, which had been trading at a discount, closed at a premium of 1.5 pence. Tetracosanol, which had been trading at a discount, closed at a premium of 1.5 pence. Pentacosanol, which had been trading at a discount, closed at a premium of 1.5 pence. Hexacosanol, which had been trading at a discount, closed at a premium of 1.5 pence. Heptacosanol, which had been trading at a discount, closed at a premium of 1.5 pence. Octacosanol, which had been trading at a discount, closed at a premium of 1.5 pence. 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PRICE CHANGES

Price changes continued to show a general upward trend in the London Metal Exchange yesterday. Copper, which had been trading at a discount to the LME, closed at a premium of 1.5 pence. Tin, which had been trading at a discount, closed at a premium of 1.5 pence. Lead, which had been trading at a discount, closed at a premium of 1.5 pence. Zinc, which had been trading at a discount, closed at a premium of 1.5 pence. Nickel, which had been trading at a discount, closed at a premium of 1.5 pence. Aluminium, which had been trading at a discount, closed at a premium of 1.5 pence. Magnesium, which had been trading at a discount, closed at a premium of 1.5 pence. Manganese, which had been trading at a discount, closed at a premium of 1.5 pence. Selenium, which had been trading at a discount, closed at a premium of 1.5 pence. Tellurium, which had been trading at a discount, closed at a premium of 1.5 pence. Vanadium, which had been trading at a discount, closed at a premium of 1.5 pence. Zirconium, which had been trading at a discount, closed at a premium of 1.5 pence. Niobium, which had been trading at a discount, closed at a premium of 1.5 pence. Molybdenum, which had been trading at a discount, closed at a premium of 1.5 pence. Cobalt, which had been trading at a discount, closed at a premium of 1.5 pence. Cadmium, which had been trading at a discount, closed at a premium of 1.5 pence. Barium, which had been trading at a discount, closed at a premium of 1.5 pence. Strontium, which had been trading at a discount, closed at a premium of 1.5 pence. Bismuth, which had been trading at a discount, closed at a premium of 1.5 pence. Antimony, which had been trading at a discount, closed at a premium of 1.5 pence. Arsenic, which had been trading at a discount, closed at a premium of 1.5 pence.

U.S. Markets

U.S. markets continued to show a general upward trend in the London Metal Exchange yesterday. Wheat, which had been trading at a discount to the LME, closed at a premium of 1.5 pence. Barley, which had been trading at a discount, closed at a premium of 1.5 pence. Oats, which had been trading at a discount, closed at a premium of 1.5 pence. Rice, which had been trading at a discount, closed at a premium of 1.5 pence. Corn, which had been trading at a discount, closed at a premium of 1.5 pence. Soybeans, which had been trading at a discount, closed at a premium of 1.5 pence. Beans, which had been trading at a discount, closed at a premium of 1.5 pence. Lentils, which had been trading at a discount, closed at a premium of 1.5 pence. Peas, which had been trading at a discount, closed at a premium of 1.5 pence. Chickpeas, which had been trading at a discount, closed at a premium of 1.5 pence. Mung beans, which had been trading at a discount, closed at a premium of 1.5 pence. Pigeon peas, which had been trading at a discount, closed at a premium of 1.5 pence. Cowpeas, which had been trading at a discount, closed at a premium of 1.5 pence. Black gram, which had been trading at a discount, closed at a premium of 1.5 pence. Green gram, which had been trading at a discount, closed at a premium of 1.5 pence. Horse gram, which had been trading at a discount, closed at a premium of 1.5 pence. Boro, which had been trading at a discount, closed at a premium of 1.5 pence. Triticale, which had been trading at a discount, closed at a premium of 1.5 pence. Spelt, which had been trading at a discount, closed at a premium of 1.5 pence. Emmer, which had been trading at a discount, closed at a premium of 1.5 pence. Farro, which had been trading at a discount, closed at a premium of 1.5 pence. Bulgur, which had been trading at a discount, closed at a premium of 1.5 pence. Couscous, which had been trading at a discount, closed at a premium of 1.5 pence. Orzo, which had been trading at a discount, closed at a premium of 1.5 pence. Farro, which had been trading at a discount, closed at a premium of 1.5 pence. Bulgur, which had been trading at a discount, closed at a premium of 1.5 pence. Couscous, which had been trading at a discount, closed at a premium of 1.5 pence. Orzo, which had been trading at a discount, closed at a premium of 1.5 pence.

COMPANY NOTICES

NOTICE OF ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OF THE BENGUELA RAILWAY COMPANY. The annual general meeting of the shareholders of the Benguela Railway Company will be held on Thursday, 27th September 1973, at 10.00 a.m. at the offices of the company, 10, Abchurch Lane, London EC4N 3DF. The business to be transacted at the meeting is as follows: (a) To receive and adopt the accounts and reports of the directors and the auditors for the year ended 31st March 1973; (b) To elect directors and auditors for the year ending 31st March 1974; (c) To consider and, if thought fit, to approve the directors' remuneration and the auditors' fees; (d) To consider and, if thought fit, to approve the directors' proposals for the payment of a dividend for the year ended 31st March 1973. The company's books will be closed for the purpose of ascertaining the shareholders entitled to attend and vote at the meeting

WALL STREET OVERSEAS MARKETS

Lower under lead of gamours

BY OUR WALL STREET CORRESPONDENT

EARLY FIRMNESS failed to hold on Wall Street today, and the Stock Market turned lower under the lead of glamour issues.

After opening 0.57 up at \$93.06, the Dow Jones Industrial Average reacted to \$88.02 by 1 p.m. for a net loss of 4.97. The NYSE All Common Index gave way 42

Closing prices and market reports were not available for this edition.

cents at \$53.48, while declines led gains by 677 to 591. Trading volume further expanded \$50,000 to 9,500, compared with 1 p.m. yesterday.

Glamour stocks were hammered down hard in the afternoon, as yesterday's anti-trust ruling against IBM.

IBM, which plunged \$26 to \$272 yesterday, opened at \$253, down another \$18, making a fall of more than \$44 in the last two sessions.

Yesterday's decline in IBM's stock followed a ruling by a U.S. District Court judge in Tulsa, Oklahoma, in which Telex Corp. was awarded \$832.5m in its \$1,200m anti-trust suit against IBM.

Telex, which shot up \$3 to \$77 yesterday, picked up another \$1 to \$81.

Sharp losses in many of the big glamour stocks continued to keep the Stock Market in reverse.

Eastman Kodak and Xerox, which have anti-trust suits outstanding, also were hit by the fallout from the ruling against IBM.

Eastman Kodak dropped \$5 to \$128, Xerox fell \$10 to \$137.

Burroughs were lowered \$9 to \$107, Polaroid declined \$4 to \$107, and Motorola shed \$1 to \$99.

Uphill were down \$3 to \$85 and Sperry Rand gave way \$1 to \$89.

Motorola were narrowly mixed, while Sperry Rand were steady to slightly easier.

Standard Oil of California rose \$1 to \$63, after the market closed yesterday it reported a "major oil discovery" in the Elk Hills area of the San Joaquin Valley in California.

Atlantic Richfield improved another \$1 to \$82, after the market it increased wholesale prices of gasoline and distillates by one cent a gallon to all customers.

Occidental Petroleum added \$1 to \$89, it signed a definitive agreement with the Soviet Union to construct a \$100m international trade centre in Moscow.

Prices were slightly easier in moderate trading on the American Stock Exchange, where the Market Plus Index shed 0.01 to 99.74, after rising 0.16 to 99.91. Losses led gains by 327 to 282.

OTHER MARKETS

Canada moves up

Canadian Stock Markets made further headway in moderate trading yesterday morning.

The Gold Star Index moved up to 2,000 to 2,007. Western Oils recovered 0.30 to 138.70. Banks improved 0.32 to 267.45. Utilities rose 0.13 to 139.24 and Basic Metals firmed 0.12 to 101.14. Industrials, however, eased 0.19 to 213.69.

Husky Oil gained \$1 to \$231.

PARIS—Market eased on a broad front, with operators again citing high money market rates, which discouraged investors.

Banks and Steels were mixed, while Engineering and Construction were lower.

In the Foreign sector Golds were fairly well maintained. IBM fell back after the anti-trust ruling.

OSLO—Banks were steadier while Insurances, Industrials and Shippings were quiet.

VIENNA—Market declined under selling pressure.

COPENHAGEN—Featureless in the dealings.

MILAN—Lower in moderately active trading.

In leading Industrials, Fiat lost 4.20 to 2,301, Montedison lost 2.20 to 843, Pirelli lost 1.30 to 2,351.

Alfredi lost 3.30 to 1,350 and Ansaldo lost 1.30 to 1,035. Sella Visco gained 1.30 to 2,275.

In Financials, Bastogi shed 1.70 to 1,770, while La Centrale put on 1.70 to 16,300.

Bonds were generally lower in active trading.

GERMANY—Mixed close. Leading Chemicals, Electricals and Utilities mostly well maintained.

While Banks eased up to DM3.50 and Motors lost up to DM3.30.

Karstadt up DM4 to 352, and Stora Aggregat up DM4 to 352.

DM1.10 to 104, while RWE were

STANDARD AND POORS U.S. STOCK INDICES

Sept. 17, 1973

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NEW YORK, Sept. 18.

STERLING rallied in the foreign exchange market yesterday, after its sharp fall on Monday.

The pound rose to 2.4145, after a sharp fall to 2.4130 on Monday.

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Interest in second-line equities as leaders consolidate Index 1.7 lower at 425.9—Increased trade in firm gilts

COUNT DEALING DATES

Option

First Declared Last Account

pt. 1 Sept. 13 Sept. 14 Sept. 25
pt. 17 Sept. 27 Sept. 28 Sept. 9
1 Oct. 1 Oct. 12 Oct. 23

"New time" dealings may take place
on 5 p.m. three business days after

Selling in leading equities
closed yesterday in favour of

condemning issues. Despite this

the market remained firm with

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to 1003 an ounce in bullion:

Gold Mines index still closed 3.3

to the good at 107.8.

British Funds attracted con-

siderable interest, finally having

the busiest day for many weeks.

Issued and long-dated issues

were higher from the opening

and almost immediately the shorts

followed this example. Demand

quickly developed for the latter,

uncovering a stock shortage in

the market and bringing the

price in Treasury 6 per cent, 1975,

at 84 1/2. Other improvements

among the shorts were generally

of 1/2, while certain longer-dated

material to deal in selected

occasionally 1/2. Irredeemables

closed 1/2 better.

Routine business in the invest-

ment currency market failed to

alter rates significantly and at

the close the premium was un-

changed at 2 1/2 per cent. Specu-

lative trading was active and

carried San Paulo (Brazilian)

Railway 3 1/2 higher to 134 1/2.

Yesterday's USSE conversion factor

was 0.5309 (0.5312).

Recent Equities generally held

steadily, although J. Salansbury

closed at 17 1/2 and TRW

down at 21 1/2.

Insurances wanted

With the help of Press comment,

insurances were generally

attracted more interest and

added another 1/2 to 3/4 while

Legal and General, 16 1/2, and

"Risks", 3 1/2, put on 1/2. Ahead

of the day's best levels

was a Court action concerning its

profits in Kent.

Its more active

Underlying the increased buy-

ing activity in second-line equities

was the ratio of rises to falls in

T-quoted Industrials of five-to-

one and the gains of 1 1/2 per cent.

all of the FT-Actuaries three-

share groups.

South African Gold shares

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Residential Property

FINANCIAL TIMES SURVEY

The market again proves its fickleness

JOE RENNISON

to feast and famine cycle in boom comes along. It will property market is as pre-ble as it is unwelcome. A quicker witted on how to take of properties is followed by the mortgage—a flood of finance ket. It is a characteristic of the wed by a trickle—and a property world that things anent shortage of new rarely change for the better. es to satisfy the growing Remember the good old days for home ownership. To of 1968 when all the factors in crisis is just one more along quite happily? Supply was in the demand fluctuations moderate as was demand. Find on the open market place since was available and at a where the supply and fairly cheap rate. We were in and situation never reaches semi-freeze conditions that te of equilibrium helped dampen down the market.

Two reasons

Then at the end of 1969 the freeze was eased. The building societies suddenly found themselves with a lot of money; the builders were unprepared for the surge in demand and the whole market went wild for the two years 1971 and 1972. The public got wind of a pot of gold at the end of the rainbow and bidding got wilder and wilder, supply stagnated and prices soared.

But now all that has changed. The chickens have come home to roost with a vengeance. Prices are now stagnant and in many cases dropping. This is for two reasons. It must be emphasised that the two-year boom had to come to an end just about the time it did simply because the rise in prices could not have carried on at that hectic rate for much longer (prices rose by 20 per cent. in 1971 and 40 per cent. in 1972—by 25 per cent. in the latter half of that year).

The prices had reached their limit—or just above—since they must inevitably reflect earning capacity. In the couple of years before the boom prices in ratio to earning were artificially low. They have merely caught up to their true level. When all is said, prices reflect the seriousness of the situation. In spite of Government action to limit bank interest to 9.5 per cent, for small savers the societies found it necessary to put up the borrowing rate to 11 per cent. last Friday.



Three-bedroomed terraced houses built by Bovis at Purbrook Gardens, Purbrook, Hampshire.

The influence of the societies' funds on the property market is massive. Out of 200,565 new houses built last year 172,693 were financed by mortgages from the societies, local authorities and insurance companies (just under 90 per cent.). These institutions produced finance for a further 588,359 second-hand homes. No one has exact statistics but this is thought to be between 75 and 80 per cent. of that part of the market. The rest is accounted for by cash sales and private credit arrangements.

So when the societies are flush with money and borrowers can get virtually what they want the market booms ahead. When the funds are suddenly cut off the effects can be disastrous in

two ways. Those people who last year scrambled for a house hoping to be on to a profitable handwagon find that they can now not sell their house and if they could it might be at £2,000 less than they paid for it. They are faced with a capital loss and reduced mobility.

When the shortage of funds is accompanied by a massive increase in borrowing rates the effects are frightening particularly for the lower paid and for anyone unable under present conditions to get a rise in salary. The monthly budget

figures speak for themselves. Someone negotiating a £10,000 loan over 25 years at 8 per cent. was then faced with a monthly bill of £78.1. Now with the rate at 11 per cent. that bill is £99.9, a rise of nearly £22 per month.

Many would argue that the building societies were far too generous with their money when they had lots of it. Some of the loans granted were too high even at the then lower rates of interest. The cost of those loans is now crippling.

Third effect

The third effect of the societies' cash shortage is the effect it will have on the builders of new houses. Already this year it has been estimated that starts and completions will be well down on last year. And some leaders in the industry are saying that estimates will have to be revised even further downward if the cash problem does not get any better. If this happens the shortage of new houses this time next year will be acute. We must wait and see what the recent measures do to help the inflow of funds. If they rally towards the end of the year just when house building is at its lowest it could cause another shortage-fed boom in new house prices.

But how have prices generally been affected this year since the heat went out of the market? The position is uneven over the country and it is difficult to generalise. Houses in the £10,000 to £25,000 group seem to be the most affected with falls of up to £2,000 in some cases. It is becoming increasingly difficult to sell and purchasers are becoming more fussy and will.

Crisis to crisis

It has been a disappointing year in another way. In July the Law Commission reported on its investigation into "Subject to Contract" agreements. The burden of the report was that although the system was not perfect they could not recommend any positive measures to improve it. There would seem to be no legal cure for gazumping. So when market conditions again reverse themselves as they sometimes surely will again it is a question of "here we go again."

The report is symptomatic of the property market as a whole. Nobody is able or willing to do anything to the state of almost permanent chaos that exists. It staggers on from crisis to crisis and it seems as though it always

MOVING HOME? WHY NOT DO IT IN STYLE WITH LAWDON

PURLEY (The Ridge)
Small development of spacious contemporary design. 4 bed double garage det. houses in peaceful and secluded environment. adj. cricket club from £29,950.

*** BICKLEY (St. George's Road)**
Various types of large twin-style det. houses in mature woodland setting. from £33,500.

*** TOTTERIDGE VILLAGE N32 (Totteridge Lane)**
Semi-level houses and det. bungalows imaginatively grouped around landscaped piazza. from £32,500.

**** WALTON HEATH (Heath Drive)**
Luxurious det. houses and bungalows on large plots adjacent to famous golf club. from £48,150.

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Just 3 superb det. farmhouse-style houses nestling in the midst of the South Downs. from £34,500.

*** OXTED (Oakleigh Court)**
Superior 2 bed flats with balconies and lifts to all floors. Many with fine views overlooking Master Park and the surrounding countryside. from £16,750.

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If you've got the land Rush & Tompkins have got the skill to develop it.

Take for example Le Roi Soleil in Antibes, the first British Residential Development on the Cote d'Azur. This £5m project is being carried out jointly by Rush & Tompkins and the Shop Development Group of Birmingham. Comprising 292 flats, a commercial

centre, swimming bath and car parks, it is due for completion in late 1974. Le Roi Soleil is typical of the versatility and skill which Rush & Tompkins are bringing to development projects in Britain and Europe.

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Present term	Present repayment (£1,000)	New monthly repayment (£1,000)	or	Approx. extended term
Years	£	£		Yrs. mth
5	21.99	22.55		5 3
10	13.57	14.16		10 9
15	10.96	11.59		17 4
20	9.79	10.47		26 5
25	9.19	9.90		37 3
30	8.84	9.50		Infinity
35	8.65	9.42		Infinity
40	8.53	9.31		Infinity
Interest only	8.24	9.17		Infinity

probably be below the 1972 figure.

August may not be a representative month for the building societies, but even so the fall off in net inflow was much more dramatic than might have been expected from purely seasonal factors. On balance the societies took in only £73m, which is a far cry from the £225m which flowed in during July. To put these figures in perspective, the movement reckoned a few years ago that it needed an average monthly net inflow of £80m, if it was to achieve the then expected target of home loans totalling £1,500m.

If there is a criticism to be levelled it is perhaps that societies were too free with their funds when money was plentiful in 1971 and to some extent in 1972. Although their liquidity

ratios give an element of satisfaction as between good and bad periods it can be argued that if the societies kept a bit more in reserve would not have been forced to mirror interest rate change directly.

That however is a matter of opinion, and whatever the view it is clear that the building society movement can insulate itself against interest rate trends more than it can against a more volatile aspect of the present situation. The effects that high interest rates and high house prices have on the ability of people to buy their own home.

Traditionally building societies have been prepared to "top up" 2½ times income, and periods of freely available funds have stretched this to three times. For the time buyer however—usually a young man—it is becoming increasingly difficult to find suitable accommodation within this income constraint. Particularly if he is living in London or anywhere in the South. Meanwhile the sharp increase in interest rates means equally sharp increases in mortgage repayments on any advance, thus further limiting the amount that the potential home owner can afford to borrow in terms of the mortgage repayments he has to make. So far statistics produced by building societies show the proportion of their lending going to the first time buyer. However, the pre-occupation with devising schemes makes it easier for this person to get an adequate mortgage is a measure of concern that exists about the problem.

Even at today's interest buying one's own home is a good deal when the inflation is taken into account. But it will be interesting in the coming months to see how much of the money is being lent to the home owner, and how much is being lent to the home owner's handwagon.

RESIDENTIAL PROPERTY II

Mortgage rate debate

By SANDY McLACHLAN

The news of a mortgage rate of 11 per cent, which came at the end of last week as much expected as it was unpleasant. The cost of money has gone up generally and the building societies are short of funds in terms of meeting mortgage demand. In this situation, whatever noises the Government may make, the only way back towards equilibrium is for building societies to raise the interest rate structure to a level where it becomes effectively competitive with the other savings media.

It is a sign of the times that the movement should agree on a further interest rate change at a time when it is still implementing the last increase. With competition in lending and the more marked swings

that now occur in the level of interest rates, the days of normal commercial reaction occasional changes in the mortgage rate appear to have disappeared.

There will undoubtedly be middle of last week that the clearing banks had been instructed to restrict their interest rates on deposits of less than £10,000 to 9.5 per cent. This was presented as a move designed to protect the building society movement from competition for the business of the small saver. However on a 10 per cent mortgage rate the societies were able to pay investors a share rate of only 6.75 per cent, tax paid which grosses up to 9.44 per cent. An interest rate differential of 0.14 per cent, hardly gives the building societies much of a competitive edge, and historically there has been a much wider gap than this between the rates offered by building societies and the deposit account rate of the clearing banks.

Government's position

In fact as far as the Government's position is concerned it is hard not to sympathise with the building societies. It is the Government and the Bank of England who have created the high interest rate structure yet they seem reluctant to put up

with the consequences of a swallow—particularly since it is the third increase in a relatively short period of time. But it will allow societies to pay investors a rate of 7.5 per cent, tax paid, which grosses up to 10.71 per cent, and helps to restore the traditional differential.

From the point of view of the prospective housebuyer it is important that societies should be getting sufficient funds in to sustain the availability of mortgages at a reasonable level. With building society rates falling behind the general level money has been tight, mortgages have been quite strictly rationed, and this has contributed its part in making the housing market sluggish.

Last year the building societies lent an all-time record of £3,700m, and this year they were aiming at £4,000m. It now looks as though they will beat last year's figure but will not attain the estimated increases. And with house prices still rising on average the number of loans extended in 1973 will

Buying a second home

By JUNE FIELD

The urge to get away from it all after a hard week's work in town is accepted as normal and obvious by the French, and even the most modest of them, income-wise, will have a simple residence secondaire tucked away in a rural area.

The second home, one of the most rewarding forms of escapism in this universal age of hurry and worry, is here to stay in Britain too, notwithstanding shortage of money and rising property prices; and the demand for a second property is on the increase.

The recent Wye College report on Second Homes in England and Wales, which calculated there were around 200,000 second homes in 1970, estimated that this figure would rise to nearly 750,000 by 1985, and to 2m. by the end of the century—still well below the growth rate in most other European countries.

For many, particularly those who work in London and the big towns, a second home can often be counted as the first. Where a family rents an apartment in the city, the second property is probably the first actual owner-occupied home, and perhaps not originally bought with retirement in mind, could turn into a desirable place to live when full-time work stops.

This renting of urban accommodation, either as a pied à terre or for the bulk of week-day living, is a field of research that the Wye College report admitted was not only an unknown quantity but "a regrettable omission," and obviously calling for further study.

A check-list of priorities for searching out a second home should include location (how long will it take to get there?), environment (is scenery and seclusion with the probability of isolation what you really want?), condition (are the conversion stakes for you, or do you prefer a place that is virtually livable-in as soon as you pick up the keys?) and, of course, price.

Mortgage availability for a second home will generally be according to the current climate of building society and bank lending. If it is a first actual ownership, then the usual rules for status and the value of the house will apply; if it is a second purchase then the question is how much of an increased loan can be afforded on an existing mortgaged property, to finance the purchase of another; to which it will still probably be necessary to add any nest-egg or savings. Tax concessions on

repayments apply to either type of borrowing.

If full-scale conversion is being considered, then it has to be remembered that with the general outcry against improvement grants being given to speculators, it could be on the cards that future grants could be restricted to full-time owner-occupiers.

While the halcyon days of snapping up the odd gem for a matter of a few hundred pounds or so are long gone, there are still places to buy fairly reasonably if one sets the sights on something less obvious than the traditional cottage. This is present-day idiom anyway for almost any small dwelling: while the idea of converting something like a barn, coach house or water-mill to living accommodation has so caught the imagination that whatever their condition you are going to have to pay a premium for the privilege of acquiring them however rough their condition.

Price factor

Anything that is even the slightest bit " twee," with inglenook fireplaces, wealth of old beams and mellow bricks, has been fetching inflated prices that even estate agents claim "are often verging on the ridiculous."

Second home seekers need to devote time and patience to viewing and finding their dream retreat. Beware of the bijou cottage advertised near the sea as "charming and a bargain at £9,500." No mention was made of the enormous gas-holder outside the front door. "But you can't see it at the back," was the agent's comment, "and anyway it is sold now."

The spread of motorways now permits city dwellers from all directions to plunge deep in the heart of the countryside for their rural hide-away. With the improvements to the A40, the Cotswolds become a possibility, and with construction of the M3 under way, Salisbury, Andover and Dorset could well be future happy hunting grounds.

Berkshire has become rather popular with a correspondingly high price bracket: a barn could be bought there five years ago for £2,000, now one would command nearer £15,000. Surrey, Hampshire and Kent excel as "olde worlde" cottage country at £25,000 plus. But Norfolk and Essex have plenty of virgin territory to explore in a considerably lower price range.

Prices in the North East,

depressed for so long, are still rising at only half the rate of the rest of the country. If you want to save yourself the headaches of buying in the rough, then go to the outfit entitled Your Cottage in the Country, in York. This company specialises in renovating two-up, two-down cottages in the Vale of Pickering, which sell for about £5,000 fully done up with new roofs and concrete floors. In the Plain of York they have recently brought new life to seven railway cottages which were selling at £3,700 each.

The Lake District attracts week-enders from Manchester via the M6, so prices are well over the £10,000 mark. Wales is still one of the cheapest away-from-it-all areas to buy in. From London you can drive up the M4 and be over the border two and a-half hours later. In spite of the Welsh Nationalists, the farmers I spoke to were only too happy to be able to sell off the old family farmhouse, abandoned for many a year. Certainly none of the locals wanted to live in them.

The current issue of the Welsh Property Advertiser in Aberystwyth offers a ruined cottage (walls only) in splendid mountain scenery alongside the B4343, for £1,500 freehold; a solid, stone-built building near Carmarthen with approval plus grant, for conversion into a bungalow, for offers over £3,000; and for those who want to start from scratch, three building plots on an elevated site with excellent views of the Cardiganshire countryside, mains electricity and water available, at around £2,000 freehold each.

Harlech project

A contemporary development of holiday homes is at Glyn Gors, Harlech, with flats and houses within a few minutes walk of the beach, for £4,200 leasehold. In Denbighshire, a survey called Second Homes, in Denbighshire, carried out by the county planning officer, showed the greater demand for cottages to come from those who live on Merseyside: one would think that nearness to home was a strong selling point here. Yet surprisingly, only one in three gave it as a reason for buying; most chose the area for the scenery and isolation.

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RESIDENTIAL PROPERTY III

Rental sector is still shrinking

by DEBORAH WAROFF

The private rental sector of Britain's housing market has seen a steady contraction for the last 10 years. Before the First World War between 80 and 90 per cent of dwellings were let. Rent controls were introduced during the war and maintained afterwards as a matter of political necessity in the face of rampant rent and price inflation. By 1919 private landlords had begun to let out and take their capital where it might find higher yields. Lloyd George's promise of Homes for Heroes kicked off the start of a succession of large-scale public housing programmes. At the same time, with the building societies dilapidated, increased home ownership was 40 per cent, owner-occupied and 50 per cent privately rented. Local authorities owned 10 per cent.

In the decades since the Second World War, council housing has increased its share from one-third of the total. Spurred by the abolition of Schedule A, re-occupation has grown to per cent.

Dying out

By 1968 private landlordship was dying out. The Housing Act of that year provided security of tenure and control of rent and of the unfurnished tenants of properties with ratesable values over £400 in London and £200 elsewhere. This has been a blessing to some of those tenants. It has also meant a further contraction in the supply of decently priced family accommodation to let.

After 1968 no landlord could make a profit could afford to let an unfurnished flat. What family seeking a home would choose to settle on someone else's furniture for the mercy of a month's rent to quit?

Privately rented accommodation over the past five years has come to serve chiefly the transient and the destitute. A majority of furnished landlords are off the mortgage on a house usually hotel keepers, caterers to an increasingly sophisticated tourist trade. Perhaps most important, the

house price boom exacerbated the problem that has plagued the private rental sector since 1919, that is, returns on capital invested are invariably low except from rentals on the most expensive luxury flats.

London boroughs

In the innermost London boroughs of Camden, Kensington and Chelsea and Westminster, where 68 per cent of all dwellings are privately rented, house values have at least doubled since the beginning of 1971. The same is true in the remainder of inner boroughs, where 44 per cent of accommodation is privately rented. Consequently, yields from regulated and controlled tenancies in these areas have by and large halved over the same period. Rentals on furnished and other tenancies not protected by law need to have doubled for yields to have remained constant. Yet salaries have not doubled—far from it.

The private rental sector, except for the top of the luxury market, is clearly in its death throes, and they have not been pretty to watch. The Government has pledged itself to publicising the provisions in the Criminal Justice Act, 1972, that provide increased penalties for

landlord harassment of tenants, but that must be small consolation to the tenants in Islington who were beaten by their landlords' thugs a few years back. Even eminently civilised gentlemen acting as agents for well-respected landlords have been known to try such tricks as serving notices to quit on sitting tenants and quizzing neighbours for gossip that might provide grounds for eviction.

While the supply of rented accommodation has decreased partly as a result of house price escalation, demand has not. The search for a flat to rent in London is more than ever a nightmare. The best and most reasonably priced flats go to prospective tenants who can convince landlords that they are responsible, reliable, and additionally the most charming and deserving of all applicants. Children are often not welcome.

People who a few years ago might have been able to afford a house have been priced out of the market. Therefore, families whose heads earn the London average of £58 per week must compete in the rental market with flat-sharers, students, diplomatic staff, foreign executives, and overseas visitors. Council housing lists remain long in many boroughs.

Constraints imposed by cost on housing of April and June (Command 5280 and 5339) provide for a strengthening of the voluntary housing association movement and the introduction of Housing Action Areas as means of preserving and increasing the stock of privately rented dwellings. The proposals are clearly well intentioned and may eventually accomplish their ends. But certain cautionary notes need to be sounded.

Security of tenure

Most important among these is that tenants of housing associations do not yet enjoy adequate security of tenure. This does not much matter in respect of benevolent charitable housing associations. But tenants of co-ownership schemes built to house middle-class people are almost invariably subject to long and complicated lists of regulations with which they must comply. A relatively minor infraction of these rules can be grounds for eviction at the discretion of a management committee.

The focus of the more recent White Paper on creating Action Areas in neighbourhoods of greatest stress, particularly in London, is no doubt correct.

But no government has yet come to grips with the complications posed by London's role as a capital city and world financial centre. It is essential to provide sufficient and even specialised rental accommodation for a wide range of income groups, from students to diplomats. If that is not done those best able to pay for accommodation will sooner or later, whether through purchase or rental, usurp housing needed by others. This means that unless a wider approach is adopted, the crisis of scarce rental accommodation will continue, although the individuals or groups suffering most from its consequences may vary.

Fewer buildings are planned

By a Correspondent

Young married couples looking for a home to buy choose a new house because they can obtain a larger mortgage—on a percentage basis—and need spend no money on repairs and re-decoration.

To-day very few of them can

get such a house, and the gloomy prognosis is that the situation will become worse rather than better. Everyone in the building societies' movement is wringing his hands at the outflow of money. No doubt the net loss is serious, but it is a state of affairs that has been exacerbated by the fat years, to press loans on customers far beyond their usual stringent lending limits based on income.

So to-day we have the situation where there are houses for sale but few buyers. And, naturally, the building industry is responding in the way one would expect any reasonable businessman to react—it is cutting down on the number of houses planned for the coming year.

According to a survey done by the Master Builders' Federation, housing starts this year will be down by 11 per cent. In 1972, completions will be down by 8 or 9 per cent. Both of these figures are extremely conservative and are based purely on a linear extrapolation over the first two quarters.

As with most industries, but especially those where the lapse of time between start and completion of manufacture is large, the building sector has been slow in reacting to reduction in the mortgage funds available. So the full effect of the present famine will only be seen in the spring of next year, so one can expect the decrease in starts and completions to be a good deal larger than is at present assessed.

Currently, there is a surplus of houses over buyers, at least as far as new properties are concerned. How long this will last depends on the fluidity of the building societies, but the chances are that, given an increase in building society mortgage rates beyond last week's 11 per cent—a strong possibility—the ratio of buyers to new properties will decline even further and the reaction of building companies last Friday afternoon was that they would have to be prepared to cut back even further.

Gloomy picture

So from an industry point of view the picture is indeed gloomy. For years it has had to listen to promises from the electoral platform of 300,000 to 400,000 houses per year while seeing and knowing from the start that these figures could not be achieved without a high previous investment.

What is wrong, in fact, is that the building industry has seldom had the opportunity to increase its capital resources. Figures published in the Annual Bulletin of Housing and Building Statistics for Europe show that Britain has the lowest investment in fixed capital goods in the construction industry, taken as a percentage of gross national product, of any country in Europe. At 8.3 per cent, it is a full 2.2 per cent below the next worst, Eire, and 6.1 per cent below France, which stands highest in the table.

When fixed capital investment in the housing sector is taken

by itself, the U.K. figure is 2.9 per cent, compared with 6.9 per cent for France and Italy, the two with the highest figure. Britain also has the lowest portion of its work force employed in the construction industry of all European nations, 5.7 per cent, compared with the top (Dutch) figure of 10.7 per cent.

While this country is putting less of its resources into house building than any other comparable country, it nevertheless has the most serious housing problem of all, taking the comparison of number of houses deemed to be below standard as compared with the total stock. Unlike France and Germany it has no solid and substantial core of post-war reconstruction housing. Much of what we have is still pre-war and even 19th century much of it requiring, in the public sector, pulling down and replacing, and in the private sector constant maintenance.

Upturn likely

As far as the prospective buyer is concerned the picture is not nearly as rosy as many assume. When mortgage funds ran short, many buyers assumed that prices would fall and that value for money would improve. But as far as new constructions are concerned the decrease in starts will mean that properties available will fall even below the funds and that prices will probably take an upturn early in 1974.

Already there are indications that the whole housing market is being paralysed by interest rates and the reaction of the building industry. As has happened so often in the past, builders will increase prices of new properties to cover their amortisation of capital equipment over a smaller number of homes and the whole buying and selling process will be inhibited.

And, a factor that is often ignored, while activity will remain low, wage and materials costs will continue to increase.

This year the National House Builders' Registration Council has seen a growth of a number of applications for registration, up so far by about 1 per cent over 1972. But since these figures cover the healthy first two quarters they are not a realistic indicator of present trends.

Buying a new house will certainly not be less expensive in the next few months than it has been in the past. The best that one can hope for, as a buyer, is that prices will not escalate too rapidly. Fortunately, the limited money supply, the largest single factor, is against this.

What seems sad about the whole situation is that by this time next year the market will again have entered the upswing part of the cycle, so that the price of new homes will move even further out of reach of the first-time buyer. How the situation will ever be resolved without direct Government intervention is difficult to see, but it is apparent that for the health of the industry as well as for the matter of urgency.

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RESIDENTIAL PROPERTY IV

Modernisation and the pitfalls

By ANDY McELROY

Some while ago it was reported that it was proposed to adapt a disused village water tower into a country home. Yet one more highly unlikely structure joins the windmills, oasthouses and disused railway stations that ingeniously, courage and money yearly make into comfortable homes.

Very few of us would have seen the possibilities in a water tower. Twenty years ago the same could have been said of railway stations, barns or even windmills. Over and above the purchase price, conversion and renovation doesn't come cheap, and the more desirable ruins-turned-homes have almost attained the status of a baronial hall.

Though these remarkable houses may be out of reach of many, and not only for financial reasons, their conversions have demonstrated as nothing else could the materials and techniques that are available to the less ambitious mortal with an eye on an older, if sad, house. Advantages new houses may have, mainly in their amenities such as central heating and good insulation. But charm, which far too many of them lack, is now a very powerful selling point with older houses regardless of their medieval inconveniences.

Buyers who can contemplate the cost of purchase topped by the expense of modernisation with equanimity are almost invariably in search of comfort as well as charm. And the first thing any competent architect will do is to try to provide the comforts of a modern home within the old framework. Aptitudes for this conjuring trick vary, of course, but the basic approach to the task is very much the same regardless of the calibre of the man.

Survey vital

Restoration and renovation starts with the survey. Reports prepared by surveyors on old properties read curiously like the speeches of court heralds announcing the death of kings—understated but shattering. Page after page of numbing meiosis concerning wet rot, dry rot, woodworm, sagging walls, fungus growth and so on has caused many a prospective purchaser to reach for the aspirin bottle or worse.

Take heart. Almost all defects in a building are curable, all deficiencies made good. At this stage few architects will contemplate briefing a local builder for the preservation work; most will prefer to call in a specialist company, of whom Rentokil is among the best known. Originally known for its effective if malodorous woodworm preparation, this organisation now undertakes virtually every kind of work relevant to the care and protection of structures under attack from any quarter.

During the early stages its free survey service can do more than anything else to restore one's faith in the project. Every brick and sliver of wood in the building is examined in detail, and the inspectors detail the defects, often their likely causes, and their treatment. As this service is free, one would expect a certain lack of detail: on the contrary, the diagnosis and suggested treatment, including cost projections, are explicit.

Typical service

Naturally, though, the company experts to get the subsequent work more often than not, and it is organised so that it can carry out either one part or the whole works in a very short time. Typical of the type of service it provides is its damp-proofing. It is only comparatively recently, in the past 100 years or so, that houses have been built with damp proof courses, impermeable strata in the walls that stop the capillary movement of moisture through the brickwork from the soil. Even later houses suffer from rising damp. Gardeners more interested in begonias than building science are apt to forget that putting soil against an exterior wall above the level of the d.p.c. forms a bridge for moisture. And, inexcusably, some houses are so badly built in the first instance that the course is ineffective.

Numerous firms offer a service of cutting a slot in the house wall and inserting a d.p.c., to-day normally of a high-grade plastic. Also available is the so-called electro-osmotic method with a linked system of electrodes in wall and earth repelling the damp. Compared with cutting and inserting a membrane it is expensive, but it is frequently the only solution.

Any building which has rising damp will in consequence have areas of plaster that must be made good. It will also, more often than not, suffer from dry rot fungus, flourishing in a damp, poorly ventilated environment. Most of us use the term to describe a variety of related diseases, but the skilled treatment specialist will recognise the variety and use the appropriate treatment.

More common by far, even in fairly recent houses, is woodworm, again a term that covers several specific agents. Very often this is noted in structural timbers and then conveniently ignored if it has not caused serious weakening. Yet how often has this Nelson touch resulted in disfigurement of valuable pieces of furniture? For every pest there is a remedy, and again, in the case of reputable firms, the comfort of an extensive guarantee after treatment is more than even the owner of a new house will have. Stopping decay is the most important single part of restor-

ing an old building. Compared with that, the business of repairing sagging roofs and walls and underpinning shifting foundations, though tedious, are more openly mechanistic. There is little to be gained, though, in a house-owner tackling extensive work himself unless he is professionally qualified. Though much is written to the contrary, it takes an experienced architect or, more rarely, a builder to diagnose causes and devise the best solution. Yet every year enthusiasts with heavy hammers knock down supporting walls as blithely as they would demolish a sandcastle. The wonder is that casualties are so few.

Best advice for the owner is to get as far out of the way as possible while building work is going on. But when it comes to having a sound structure and making it as comfortable as possible, do-it-yourself can save money though the slothful and hedonistic may prefer again to leave this to the professionals. Cold and draughts are the main enemies of comfort in an otherwise well-built and well-equipped house: let's assume that, complete with central heating, draught-proofing should be the first step. It has been calculated that the gaps round the edges of a normal casement window are equivalent to a hole about the size of a teacup. Plenty of proprietary materials are available for sealing the gaps. Unfortunately, though, doing it effectively requires perseverance and attention to detail seldom found in the amateur. Yet again, the added cost of a professional service is well justified.

Insulating a house against cold is a subject that has caused far too much argument in the past, most of it now, thankfully, resolved. It has been estimated that only 25 per cent. of the money spent on heating an uninsulated home is obtained as useful heat, the rest passing through gaps, the roof, windows, walls and floors.

Where does one start? Taking the criterion of maximum return as a percentage of outlay, by insulating the roof space. Here there is a job that the amateur can do himself. Many different materials are available, falling roughly into three classes: insulating blanket laid between the joists; pelleted insulating material poured loose, again between the joists; and reflective (usually aluminium) foil pinned to the joists.

Probably the best known of these, and the easiest to install, is a glass-fibre or mineral wool blanket of the type marketed by companies such as Marley or Fibreglass. Rolls come cut to width to fit the space between the joists. The one difficulty is that it is difficult to lay into the far angle of the roof space, but that is a stricture that applies equally to all the other forms of insulation.

Mineral pellets are also comparatively easy to lay, although great care must be taken to ensure an even depth. However, there is a risk that in a ventilated roof space draughts will blow the pellets around, leaving some areas uninsulated. When the proper precautions are taken, however, and two inches of these materials are laid, you have effectively cut your fuel bills by about 10 per cent. Installation costs are low, and the average householder can recover his outlay within four or five years. Aluminium foil has been found to be less effective but cheaper than either of the methods already described. Installation can be carried out by almost anyone, although for a truly professional job Rentokil or ICI's comprehensive insulation service can be employed. Both these companies will also undertake to insulate cavity walls.

In ICI's case they inject urea formaldehyde through holes drilled in the outer brick leaf. This material foams in the cavity, filling it completely without voids if the work is correctly done, and ICI guarantees its service. So, too, does Rentokil, whose method is to blow in mineral wool through the same kind of pre-drilled holes.

Fuel savings

Either method produces substantial fuel savings at low cost, and the insulation, thermally, of the inner leaf means that rooms warm up much more quickly and there is complete elimination of the "cold radiator" phenomenon.

How much? No matter which method one chooses the cost is unlikely to exceed £150 for a four-bedroom detached house on two floors. Fuel savings are of the order of 20 to 25 per cent.

Not all older houses have cavities, though, so that these benefits must be obtained in another way. It is possible to line all exterior walls with an insulating material. Expanded polystyrene sheet, a few millimetres thick, is often used, and although it gives a worthwhile increase in comfort, its insulation value is less than one would like. Composite foamed plastic and plasterboard sheets used as a wall lining are very much better, giving an insulation value similar to that obtained by cavity filling. A difficulty is that one has to find a builder prepared to do the work of lining the walls, although it is not a difficult undertaking. Recently, I saw a house in which this had been done. The rooms had decorative cornices and picture rails, but the board had been installed without in any way detracting from appearance. It comes more expensive than cavity insulation, although much depends on the builder employed. But it has distinct advantages in that the

thermal mass of the rooms is very low, giving extremely short warm-up times.

Double glazing is certainly the most controversial part of home insulation. Exaggerated claims for fuel savings meant that when these were examined the reaction was to dismiss it as a waste of money. Certainly it takes many years to recoup expenditure on double windows, but looked at purely as a luxury it can transform a room.

Alterations such as adding bathrooms, kitchens, removing or adding walls are the province of the architect, and it is pointless to talk in general terms. However, it should be realised that a competent architect is in business to take a shell, no matter how unpromising, and make it a comfortable in the Bahamas while the is carried out.

Naturally, the cost can be high. But at the end one has a home that is probably very much cheaper than if one were building from scratch. That the so is evident from the number of local authorities that are spending money on refurbishing old houses in the public sector, and this after close examination of the cost.

Anyone considering whole modernisation of an old house should first find an architect. Then, if it can be arranged, see some conversions or additions which are usually willing to show off their handiwork. Leave it all to the architect, you can possibly afford it, if there is any money left over, would be wise to spend a little in the Bahamas while the is carried out.

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Availability of land

By PETER RIDDELL

The price and availability of land has always been one of the most controversial features of the continuing debate over the operations of the housing market. And it is somewhat ironic that the Government made its own major contribution just at a time when the land market was stabilising with far more plots coming on to the market. While there is some element of cause and effect here the main reason for the change in market conditions is not to do with any specific political action but instead reflects the sharp rise in interest rates, and the slackening of demand for private housing, because of the shortage of mortgages.

There is no dispute that the market for house-building land has slowed down markedly over the last year although there are no overall figures to indicate the exact extent of the change. The main indicator is the very large increase in the amount of land coming on the market, as can be seen by a glance at the advertisements in the property pages of any specialist

periodical. These offers for sale cover all kinds and sizes of land from the very large—212m. parcel was recently put on the market in the West Country—in small, one and two acre lots.

Holding prices
This has had the effect of holding down prices, and there is some evidence of price falls in certain areas—at least from the very high and at times almost ridiculous levels of last year. This is reflected both in increased bargaining over the price of land which comes on the market and the mixed results of some recent sales by tender.

Although certain large areas of land have become available parties from retaining a large land bank. While this factor is increasingly likely to affect the bigger groups, and consequently have a large effect on prices, some of the majors are now taking advantage of the situation to pick up sites at far more attractive prices than for the past two years. Nonetheless even a few of the publicly quoted

housebuilders could be forced to reduce their land banks since some bought so much on overdraft at last year's prices that their interest charges are now rising very rapidly.

Normal part
All these features are a normal part of the housing market, but one or two other factors do seem to have some influence. The Government itself has announced a series of measures aimed at increasing the availability of land—on the partly contentious view that the alleged restrictions on supply explain the increase in prices. And while many of the policies have not yet been put into force—and are still in a draft stage—and others, such as the pressures on nationalised industries to release more land, have had little effect so far, the mere announcement of certain proposals has forced some land on to the market.

The main influence here is the proposed land hoarding Continued on next page

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D. 10th OCT. By Direction of M. V. RAPHAEL LTD., MULBERRY ITAGE, HENLEY-ON-THAMES, WOODLANDS, MAIDENS JVE. LEA COTTAGE, SOUTHEND COMMON. Renovated and rged under architect's supervision. Freehold with V.P. Details: 04912 2525.

D. 10th OCT. LAND AT FRITH END, BORDON, HANTS. 61 s agricultural land with outline consent for farmhouse. Freehold Details: Tel: 0256 65141.

LUMIN 1973. MANOR & DICKERS FARMS, SILCHESTER. 1,208 s freehold V.P. Manor farm house, second farm house, 5 cottages outbuildings. Details: Tel: 0256 65141.

LUMIN 1973. THE SPRINGS, INGHAM LANE, WATLINGTON, ON. Detached property standing in 1 acre. Outline planning permission for 2 detached dwellings. V.P. Details: Tel: 04912 2525.

LUMIN 1973. COMMONSIDE, RUSSELLSWATER. Freehold (chickens and 1/2 cottage in 24 acres. V.P. Details: Tel: 0256 65141.

LUMIN 1973. LOT 1, 24 ASTON LANE, REMENHAM, HENLEY-ON-THAMES. Small cottage for renovation or as building plot. 2 BUILDING PLOT being part of the orchard of THE ITAGE, DUNSDEN, Nr. READING. V.P. Details: Tel: 04912 2525.

RESIDENTIAL PROPERTY V



A five-bedroom house on a Wates development at Ascot.

Discontent with design standards

By DEBORAH WAROFF

"Homes Fit for Humans" was the subject of this year's Royal Institute of British Architects conference, held in June. Implied in the title is widespread discontent with the kinds of houses currently being built.

Much of the dissatisfaction with the standards of architectural design in modern housing, both within the profession and without, is well justified. In virtually every British town one can find a spec-built estate of nasty little boxes or a local authority tower block that is deservedly despised.

Yet Britain's public sector housing is admired, studied and debated around the world. If nothing else, it is remarkable for the diversity of building types and site layouts that have been tried in the course of sincere attempts to create decent human habitats. To be sure, many housing projects have been built on bankrupt architectural theories. The plethora of tower blocks built in the post-war years resulted from an infatuation with the Ville Radieuse ideal put forward by Le Corbusier. Corbusier's excellence as an architect and role as one of the pioneers of the modern movement for many years obscured from his admirers in local authority planning and architecture departments the fact that he knew little about land economics and less about the logistics of housewifery.

Current trend

The current trend in public sector housing design is a swing back towards traditional domestic forms. Intimate public spaces and small scale low-rise buildings are again in vogue. Terraced houses have found new champions—besides making it easier for mum to mind the kids they can, unlike high-rises, provide considerable privacy without costly sound proofing. Appreciation is growing that they are quicker and simpler to build than tower blocks and are additionally cheaper, exclusive of land.

But all is not quite well in

the public sector. Sharp rises in construction costs and slow adjustment of cost yardsticks are cutting sharply into architects' room to manoeuvre. Consequently, he is less and less able to design effectively or imaginatively. Also, the design of interiors for public housing amounts largely to satisfying Parker Morris standards for minimum floor areas and required amenities. Considerable wit is required, however, to meet these standards within cost limitations.

Eccentric client

While council and new town housing is more often interesting for its external appearance and site plan than for its interiors, the reverse is true in the private sector. Private house commissions have over the past 70 years frequently served as the testing ground for modern architecture because among building types houses are the most cheaply constructed. Also, it is easier for an unknown architect to find an eccentric private client than an indulgent corporation or municipality.

Though the architectural Press regularly publishes reports on modern British houses, usually custom built, of considerable attractiveness and merit, none seem to be breaking ground for any wider architectural movement. It may be that British planning constraints and high land costs conspire to inhibit experimentation. Also, the role of the home as a capital asset makes excessively daring design a potential liability.

Nonetheless, whether hidden behind a straightforward modern facade or a costly neo-Georgian one, the floor plan of the typical British house has undergone drastic revision since mother was a girl. Open plan is virtually de rigueur in smaller spec-built houses. The

informal post war life-style has made the open plan a viable proposition—it is no longer necessary to have a best parlour. Central heating also makes it less important to carve up homes into small rooms. The combined lounge/diner provides the illusion of space as well as plenty of room for parties in small houses. What makes even more sense in this servantless age are intercommunicating kitchens and dining areas. Among other readily evident changes are the growing popularity of bathrooms en suite the increase in built-in wardrobes and the decline of the separate w.c.

Attentions of designers to private houses are largely focused on the interiors. The British urban tradition in domestic architecture is one of standard house types whose repetition may, depending on the motives of the builder and the talents of the architect, result in compositions as elegant as Bedford Square or the Nash terraces or as oppressive as much of late Victorian and Edwardian London. Spiralling building and land costs have left less room for architectural expressionism in suburban dwellings.

Interior design has at the same time become more architecturally conscious, in particular at the upper end of the market where clients can afford to make drastic structural changes. No longer is the good interior designer merely someone who suggests tasteful colour combinations or furniture arrangements. Architects are increasingly in demand for (and pleased to do) interiors.

"Environmental design" and "exploding space" are the catchphrases that best describe the modern approach to interiors. The creation of visually exciting and pleasing

interior volumes and spaces characterised houses built by Inigo Jones and just about every other past architectural master worth his fees.

To-day these ends are being achieved by breaking down walls, building in galleries and platforms and taking advantage of every optical illusion that colour and texture can produce. Sunken "conversation pits" are rapidly becoming passé, but stepped platforms, carpeted cubes and other multi-purpose mini-stages are growing in popularity.

Taking the place of rooms with precisely defined functions are less rigidly defined areas delineated by atmosphere. Certainly large segments of the British public still prefer to spend their interior design budgets on antique furnishings that constitute a "good investment" and decor that provides a setting that asserts the home owners social status. And only a tiny minority of homes can boast super-scale graphics painted on their walls or sofas shaped to resemble Marilyn Monroe's lips.

Fitted kitchens

But the rapid rise of Habitat, to the point where its furnishings now constitute something of a cliché and are acquiring the stigma of being petit bourgeois, proves that the British public is ready for modern design where it satisfies a real need and corresponds accurately to modern lifestyles. In a still broader market, "room dividers" are now so common that it is difficult to recall that such a vague division of functions was not so long ago unheard of. Similarly, fitted kitchens with continuous work surfaces have almost overnight supplanted the traditional hotch-potch of free standing units separately purchased.

CONTINUED FROM PREVIOUS PAGE

Land availability

charge, which was announced in the Budget in March, continued in more detail in April, and is likely to be included in a Bill in the forthcoming Parliamentary session. The charge is being brought in so that owners cannot speculate and hoard land in anticipation of an increase in value. The charge will be levied for a failure to complete a development within four years from the grant of outline permission, or three years from the grant of full permission where no outline application was made. The April White Paper envisaged that the charge would accrue for every day after the end of the completed period at an annual rate of 30 per cent of the full market value of the land at the beginning of the completion period.

There are intended to be exemptions for small developments of not more than two additional new houses and local authorities will be able to allow longer completion periods after taking into account the size of the proposed development, the general state of the housing market, and the relation to programmes for services. The charge will not be deductible for tax purposes.

The announcement of the charge seems to have been a contributory factor in bringing some land onto the market, par-

ticularly on sites which have had planning permission for some time. But the charge has also been strongly criticised by the house building industry. Many regard it as irrelevant to the main problems of the industry, and in a memorandum produced in early August a working party of the Royal Institution of Chartered Surveyors argued that the charge would make little practical difference to the supply of land and could even have a negative effect. It was worried that the charge might make banks and finance houses more cautious in supplying money to developers so that the building industry could be under-financed and the supply of houses restricted. A survey of the Institution's members concluded that there was no evidence of hoarding of land with planning permission except where smaller developers built a limited number of houses on land banks, owner occupiers with large gardens and some relatively small parcels.

Further factor

Another factor which is causing concern among some house-builders is the proposal that developers should make contributions to the cost of road and other public services provided on new estates. It is

not yet known how this idea will operate in practice, although there have been some suggestions that there could be a straight charge per plot. Most of the other proposals in the White Paper were welcomed by the industry—in particular the suggested new guidelines for local authorities on the handling of planning applications with the general presumption in favour of housing development. There was also support for higher density development in areas of special land scarcity and for the release of about 2,000 acres in the Green Belt around London.

What impact these measures will have is difficult to estimate at present. But they go some way to meeting some of the fairly wide range of complaints made about the current position. Thus there is the housing charge to satisfy those, mainly planners, who believe that land is being intentionally held back from the market—which is strongly disputed by the house-builders. On the other hand there has been action to remove the obvious blockages in the planning system and make more land available. But we will have to wait until the next upturn in the housing cycle to see whether these factors are a substantial help in making more land available and stabilising prices.

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Lombard
Whitehall must share the blame
BY C. GORDON TETHER

THE highly mortified air Ministers are affecting in relation to the recent behaviour of the building societies may create the impression that this important arm of the nation's financial mechanism is letting the Government down in a big way. Yet the reality is that Whitehall is just as much responsible, in both the sins of commission and omission senses, for the fix these institutions are now in as they are themselves. If not more so. And it can help most to bring about a satisfactory solution of the problem by accepting its share of the guilt.

The Prime Minister featured another vigorous attack on the Building Societies Association in his speech at Basingstoke over the weekend. He not only implied that it had behaved in cavalier fashion by deciding to proceed with the plan to put up mortgage rates without waiting to see whether the newly-announced curb on competition for savings from banks would ease the resources problem. He also made it clear that he considered that its members were not approaching the task of covering the demand for their facilities in the right way and would have to be persuaded to undertake fundamental reforms.

Since housing finance has become such a politically explosive issue, it is understandable that the Government should be deeply concerned about the tendency for the cost of mortgages to rise higher and higher. But the truth is that it is itself primarily to blame for the fact that the situation in the savings field has become so extended.

Reverse

That the fortunes of the National Savings Movement have suffered a severe reverse in recent months in spite of the steps taken in the Budget to make its wares more attractive can only mean one thing. It is that the Government has been so much more successful in slowing down the rise in earnings than the advance in prices that it has created something akin to a savings drought.

National Income figures for the first quarter of the year clearly indicated that people were coming under increasing pressure to dip into savings to maintain their living standards. All the indications are that this has since become more marked.

The building societies, being engaged in the extremely tricky business of borrowing short and lending long, have inevitably been placed in a particularly vulnerable position by this dramatic change in public behaviour patterns.

That means that they can hardly afford to wait and see whether the Government's belated move to restrain competition from the banks significantly alters the supply-demand relationship.

As for the need for the building societies to create a system of house purchase finance "that would be a sound deal for both sides", as Mr. Heath put it in his week-end speech, what-one may well ask—has Whitehall been doing all these years?

Well over a decade ago, I was campaigning in this column for "basic changes in building society procedures to enable the movement to cope more easily with such emergent problems as the onward march of dear money. If, as the Chancellor of the Exchequer was recently claiming, the Tories have seen it as their duty "to encourage the spread of owner-occupation as being a development of the utmost social importance", why is it that we have had to wait until now—when the light is already upon us—to see them taking a meaningful interest in such reform?

Inexcusable

The present Tory Administration has a particularly serious charge to answer on this account. The point is that it was fully recognised in the Green Paper on Competition and Credit Control published last year that it came to power after it came to power that affording the banks greater freedom to do battle for money could generate major problems for savings banks and building societies. "The impact of such competition on them," the document said, "would need careful consideration." The fact that such consideration has been delayed until the difficulties then envisaged had become acute is inexcusable.

No one can deny that the building societies have displayed a stubborn unwillingness to move with the times. But they have unquestionably been aided and abetted in this by a persistent official failure to pay adequate attention to the more important aspect of the nation's financial well-being with which they are concerned.

THE LEX COLUMN

Price flexibility at BSR

On the face of it, a rise in the first-half profits of BSR from 26.38m. to 28.33m. looks a trifle disappointing (the shares eased 2p to 143p yesterday) since it takes in a drop in margins on the sound reproduction side from 32 to 30 per cent. on a 35 per cent. sales gain. That with no price rise since 4 per cent. hike last February another will surely be due soon.

All in all, £18m. pre-tax against £14.5m. (including perhaps £2m. from the "consumer products" division which will take in 11 months from Goblin) looks a fair target without further price increases for earnings of 12p and an untarnished growth record.

Unilever/Ellis

Yesterday, both sides in the gentleman's disagreement between Unilever and Ellis and Everard sought to take the initiative—Unilever by emphasising that it would not increase its offer of 200p a share cash, and Ellis by announcing the possibility of a link with ICI. Unilever's basic point is that

it is offering 17 times prospective net earnings for 1973-74, a high price even for a growth equity these days, and that it can only justify this price by accelerating the growth of Ellis—by infusion of cash was one way it mentioned yesterday. Ellis, meanwhile, pointed out that it would get £700,000 cash from ICI for a minority stake in its chemicals merchandising subsidiary, as well as "exceptional opportunities for rapid growth in the particular markets involved"; chemicals merchandising accounts for a quarter of the forecast £20m. turnover for 1973-74.

Other majors in builders' merchandising would agree that Unilever is offering a high price; but they also reckon that a group of Ellis's acknowledged management quality should have no trouble in generating the cash flow and borrowing status it requires for normal physical expansion. It might be different, however, if Ellis was not simply the acquisition in builders' merchandising, but the base for a series of them. Meanwhile,

drawings of overdraft facilities in, particularly, March and August cannot have helped earnings. And overall it seems that advances growth has slowed to about 12 per cent. in the six months against the peak 38 per cent. in 1972-73 as a whole. The demand for large-scale North Sea development finance has, it appears, expanded more slowly than expected.

The full year's outturn may be in the lap of the Price Commission and the Treasury. But as things stand, the Bank of Scotland—at 9.8 times annualised first half earnings—remains as a premium to the English clearers, particularly as it tends to muddy the year-end picture with pension and bad debt provisions.

BICC

After a long period in which margin improvement was the main source of profits growth at BICC, the 21 per cent. rise in first-half sales suggests that volume is now showing useful

Bank of Scotland

The Bank of Scotland's first half profits gain of 71 per cent. to £9.19m. pre-tax is not quite up to the 80 per cent. average recorded by the English clearers (reporting two months ahead), particularly bearing in mind that the £19m. receipts from the January rights issue could have boosted profits by £0.8m. or so. That may reflect a slightly different wholesale mix—bidding in the deposits markets to cover heavy local authority

Europe 'may run short of winter heating oils'

BY ADRIAN HAMILTON

EUROPE COULD face an extremely uncomfortable supply situation over heating oils this winter, compounded by dramatically increased U.S. import requirements for the fuel, according to some oil companies. The prospect, which still remains uncertain at this stage, has been sufficiently strong for several European governments to consider the possibility of introducing export controls on oil.

Opinion within the European oil industry is still divided about the prospects of real shortages this winter and the potential impact of the U.S. requirements. Several companies point out that similar fears over petrol supplies this summer failed to materialise, partly because U.S. refineries were able to produce more petrol than expected and partly because U.S. price restrictions made it uneconomic for companies to import European supplies.

The heating oil difficulties in the U.S. do appear more considerable for the winter and more likely to affect Europe. Speaking at a conference on world energy supplies, organised by the Financial Times in London yesterday, Mr. Charles DiBona, deputy director of U.S. Energy Policy Office, estimated that the U.S. shortage in heating oil supplies this winter was likely to be of the order of 500,000-600,000 barrels per day in normal weather conditions.

Of this around 100,000-300,000 barrels per day would probably be imported from Europe, he suggested, adding that imports to the U.S. had been facilitated recently both by a relaxation of sulphur regulations and changes in price controls to allow imports costs to be passed on to the consumer.

Whether Europe could supply this kind of requirement and whether the U.S. could afford to import such quantities from the European open market still remain open to doubt.

Severe effect

But even if large volumes of supplies are not diverted from Europe the effect of such U.S. demand, acting on top of already tightening supplies on crude oil, could be severe on this side of the Atlantic.

Open market prices for heating oil in Europe have already more than doubled this year to over \$80 per ton and are in short supply.

If the U.S. winter proves exceptionally cold or weather conditions in Europe are bad, the situation could become extremely serious.

The U.K., which has relatively low demand for heating oils compared with the rest of Europe and is not dependent on the spot market for supplies, might be less affected but other countries, and in particular Germany, would suffer.

OPEC support for Libyans on nationalised oil sales

BY RICHARD JOHNS, MIDDLE EAST CORRESPONDENT

MEMBERS OF the Organisation of Petroleum Exporting Countries have promised support for Libya against any attempts by Western oil companies to block sales of crude oil by Libya from the fields now 51 per cent. owned by the Libyans since last month's decree.

It is understood that the second part of the yet-to-be-published resolution passed at the extraordinary conference in Vienna last week-end specifically threatens collective action in the event of interference with Libyan marketing operations.

'Sovereign Rights'

The first part expresses support for the Libyan Government in the same terms as the communiqué which spoke of "the fulfilment of its sovereign rights".

Before leaving Vienna, Mr. Izzeddin al-Mabrouk, Libya's Oil Minister, told me that he was reasonably satisfied with the backing given to him by the OPEC members. According to other delegates, he asked for no more to be said in the actual resolution than was actually stated. More important,

obviously, is the intent of OPEC's members.

In this respect it is significant that Saudi Arabia would feel honour-bound to join in any collective action. Iran signed the resolution without demurring.

OPEC has long regarded nationalisation as a lawful act of sovereignty, and said as much in its resolution last June after Iraq's take-over of the Kirkuk oil field.

It was saved then from the need to make commitments to Baghdad because the issue was placed in cold storage by agreement on an OPEC-sponsored mediation which eventually proved successful. No promises were made after Tripoli nationalised the Sarir field late in 1971, an acknowledged act by the Libyan regime.

Beyond this, members at the Vienna meeting appeared reluctant to discuss even such a sensitive action they would be obliged to take against the companies and in what circumstances. The implication, though, is that action in courts provoking a collective OPEC taken to "black" oil from the nationalised field would entitle Libya to call an extraordinary conference.

Libya's deadline for acceptance OPEC demands a share Page 22

Cosgrave expects compromise

BY DOMINICK J. COYLE

DUBLIN, Sept. 18.

AN EARLY and wide-ranging series of bilateral contacts, involving the London and Dublin governments and the major political parties in Northern Ireland, is expected to follow yesterday's detailed exchanges on Ulster between Mr. Edward Heath and Mr. Liam Cosgrave, the Irish Prime Minister.

Mr. Cosgrave reported to his Cabinet today on his talks with the British Prime Minister. He is understood to be optimistic that the differences between the two governments on the timing of steps to form the new Northern Executive and the proposed Council of Ireland can be resolved satisfactorily in the next few weeks.

In the Dublin view, this is likely to result from a compromise between the policies outlined by the two Prime Ministers late last night following the

historic Anglo-Irish Summit meeting. The bilateral exchanges envisaged here between all parties involved in an Ulster settlement would, at least in part, represent a search for such a compromise.

Mutual benefit

Dublin is continuing to insist that a Council of Ireland must be an integral part of a "package deal" to include the new Northern Executive and other related matters. Ministers argue that it is therefore essential to have an early opportunity to demonstrate that their ideas for a Council represent a genuine attempt to bring about a mutually beneficial cross-border rapprochement rather than a Machiavellian ploy to achieve reunification by stealth.

In the view of Irish officials, a major conference on Ulster, Belfast, as envisaged originally in the British Government's White Paper proposals would provide the opportunity. There is speculation here, in the wake of yesterday's meeting, that a conference will be convened well before the end of the year.

Bilateral contacts between the various parties would, meanwhile, assist in preparing the ground. At the same time, talks would continue within the new Northern Assembly in Belfast on the formation of an executive.

There are expected to be early exchanges—probably before the week-end—between the Dublin Government and the Northern Ireland Social Democratic and Labour Party. Mr. Faulkner, the Unionist leader, is also known to be anxious for a meeting with the pledged Unionists under Mr. Brian Faulkner—either here or in

Safeway agrees to cut prices

By Elinor Goodman

A THIRD major retailer has had to lower its prices because of failure to keep within the profit margin limits laid down by the Price Code. Safeway Food Stores, the American-owned supermarket group, exceeded its net profit margin level by £35,000 in the eight-week period covered by its first financial returns to the Price Commission.

Over the next month the company will reduce its prices by this amount. It also intends to continue price cutting throughout the autumn, which will mean that the cuts will amount to considerably more than the £35,000 figure agreed with the Price Commission.

As with the two other retailers—J. Sainsbury and Littlewoods—which exceeded their net reference levels in the first few weeks of the year, the commission has not had to bring into use its power to order a company to reduce its prices.

Safeway is understood to have been one of about 15 companies on the commission's list of possible "roll-back" cases but the company is believed to have accepted the commission's interpretation of the Price Code rather than face a public price cutting order.

The commission is still negotiating with about 15 other companies, several of them in the distributive business, whose first-quarter returns show an unacceptable profit level.

The commission is thought to be losing patience with companies which have not yet provided reasons for their profits, and to be on the brink of taking legal action.

Safeway claims that the excess in its net profit margin—less than 0.5 per cent. above its reference level—was largely the result of accounting procedures.

Despite the obvious differences of opinion between the commission and Safeway, the company paid an oblique tribute to the Price Code last night. Its decision to reduce prices by more than the £35,000 was partly because the company feels that the grocery business will become even more competitive over the next few months as other retailers run against the profit margin controls.

Liberals set sights on General Election

BY JOHN SOURNE, LOBBY EDITOR

SOUTHPORT, Sept. 18.

ON THE EVE of what is probably the Liberals' most important annual Assembly since the war, the party leaders' main concern is that euphoria over the recent wave of by-election victories should not deflect the delegates from setting their sights firmly on the next General Election.

As Mr. Jeremy Thorpe, the leader, and his colleagues gather here to-night for the conference, their overriding aim is that the Assembly should present the Liberals as a responsible party with a wide range of policies which could carry national conviction in an election campaign.

Fortunately for Mr. Thorpe, the Young Liberals as an organisation have been less militant than they once were. Mr. Peter Ham still has power to embarrass the hierarchy—witness his latest article naming a Labour and Conservative politician as being involved respectively in the Poulson affair and the call-girl scandal, and his recent statement to sabotage juggernaut lorries.

The Left wing of the party might also cause difficulties to-morrow over a motion, introduced by Mr. John Pardoe, MP, urging the Government to "stimulate competition where it can still be made to work" and to control monopolies through legislation and a new commission.

In two newspaper articles to-day Mr. David Steel, MP, the Liberal Chief Whip, takes a characteristically hard-headed party manager's view of the situation facing the Liberals following their recent three by-election victories over the Tories.

In one article he says that the most hopeful factor is "the depressing state of the Labour Party; the Government may be desperately unpopular but the supposed alternative is unwanted."

He also points out, this would make nonsense of specific demands by Liberal candidates and councillors for improvements in roads.

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Transport motion

In his second article, Mr. Steel warns the Assembly that more than ever before it must watch "its enemies before voting." He and other Liberal MPs are worried among other things about this week's motion on rail and water transport where there is a section calling for "suspension of all motorway developments."

If carried, he points out, this would make nonsense of specific demands by Liberal candidates and councillors for improvements in roads.

See Keyser Ullmann.
Merchant Bankers you can talk to.

Weather

U.K. TO-DAY
CLOUDY, with rain at times, rather cold. Becoming bright in the South-East.
London, S. E. and E. Eng., E. Anglia, E. Midlands.
Rain at first, becoming brighter. Wind N.W. to S. moderate or fresh. Max. (56F).
Cent. S. and Cent. N. Eng. W. Midlands, Channel Is. Sunny intervals, showers. W. N.W. to S. moderate. Max. (56F).
S.W. Eng.
Sunny periods, showers. S. W. to S., moderate to fresh. 15C (59F).
Wales, N.W. Eng.
Sunny intervals, early showers. Wind W. to S.E. moderate. 14C (57F).
Lakes, I. of Man, N.W. Sea. Sunny intervals, showers. W. to S., moderate. Max. (56F).
N.E. Eng., Borders, Edinb. and E. Scot., Aberdeen. Cloudy, some rain. 14C (57F).
Cent. Highlands, Moray & Caithness, Argyll, N.W. & Orkney, Shetland. Bright intervals. Showers, outbreaks of rain. Wind variable to W., light. Max. (56F).
Cent. Highlands, Moray & Caithness, Argyll, N.W. & Orkney, Shetland. Bright intervals. Showers, outbreaks of rain. Wind variable to W., light. Max. (56F).
Lighting-up: London Manchester 19.47, Glasgow Belfast 20.02.

BUSINESS CENTRES

City	Index	Change
Alexandria	100.00	0.00
Amsterdam	100.00	0.00
Bombay	100.00	0.00
Buenos Aires	100.00	0.00
Calcutta	100.00	0.00
Canton	100.00	0.00
Cebu	100.00	0.00
Colon	100.00	0.00
Hankow	100.00	0.00
Harbin	100.00	0.00
Hong Kong	100.00	0.00
Kobe	100.00	0.00
London	100.00	0.00
Lyons	100.00	0.00
Manila	100.00	0.00
Medan	100.00	0.00
Shanghai	100.00	0.00
Singapore	100.00	0.00
Sourabaya	100.00	0.00
Tientsin	100.00	0.00
Yokohama	100.00	0.00

HOLIDAY RESORTS

City	Index	Change
Alicante	100.00	0.00
Amsterdam	100.00	0.00
Bombay	100.00	0.00
Buenos Aires	100.00	0.00
Calcutta	100.00	0.00
Canton	100.00	0.00
Cebu	100.00	0.00
Colon	100.00	0.00
Hankow	100.00	0.00
Harbin	100.00	0.00
Hong Kong	100.00	0.00
Kobe	100.00	0.00
London	100.00	0.00
Lyons	100.00	0.00
Manila	100.00	0.00
Medan	100.00	0.00
Shanghai	100.00	0.00
Singapore	100.00	0.00
Sourabaya	100.00	0.00
Tientsin	100.00	0.00
Yokohama	100.00	0.00

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